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THE GENEVA CHARTER FOR AN INTERNATIONAL TRADE ORGANIZATION

V. Cartel and Commodity Policy

The chapters of the Geneva draft of the ITO charter that deal with restrictive business practices and with commodity agreements retain the same approaches toward cartel and commodity policies that were set forth in the original American proposals and in the Preparatory Committee's London draft.¹ But they have been so reorganized and rewritten as to clarify their provisions, and they have been so amended in detail as to meet a number of criticisms that had been made in the United States.

Cartel Policy

Chapter V of the charter represents the first international approach to the problems created by the restrictive business practices of commercial enterprises. The interwar period had demonstrated that such agreements could prevent or repress the flow of trade as effectively as any government-imposed tariff, quota, or embargo. Accordingly, it was recognized from the outset of the project that any international charter for the reduction of trade barriers and the promotion of employment and economic development would be incomplete if it failed to deal with the barriers created by certain kinds of business practices.

The chapter is based upon an agreed general policy concerning the prevention of restrictive business practices. Members agree, in effect, to take appropriate measures to prevent, within their respective jurisdictions, restrictive business practices affecting international trade, whenever such practices are harmful to production or trade and interfere with any of the Organization's basic objectives. In recognition of the fact that state-controlled enterprises may be as prone to engage in such practices as private ones, the obligation is applied with equal force to enterprises of both

kinds. The obligation also is framed in such a manner as to make it clear that the restrictive business practices of a single enterprise, as distinguished from practices brought about by agreements among enterprises, are comprehended by the provision; in short, the practices of the combine as well as those of the cartel are treated in the chapter.

To lend added substance to the general undertaking of the members, the Organization is empowered to investigate allegedly harmful business practices which are complained of by any of the members. A series of six practices, in fact, is specifically designated as "subject to investigation" by the Organization. These practices were selected on the basis of the extensive information regarding the activities of cartels and combines which has accumulated in recent years, particularly in the United States.

Two of these enumerated practices deserve comment. The practice of "preventing by agreement the development or application of technology or invention whether patented or unpatented" relates to a device familiar in cartel history—a conspiracy among potential competitors to defer the application of new technological developments in

EDITOR'S NOTE: The two articles appearing in this issue are the last in a series describing the charter for an international trade organization formulated at Geneva by the Preparatory Committee for the United Nations Conference on Trade and Employment, which will open at Habana on Nov. 21 of this year. Other articles in the series have discussed General Commercial Provisions of the charter (BULLETIN of Sept. 28, 1947, p. 605); Quantitative Restrictions and Employment and Economic Development (BULLETIN of Oct. 5, 1947, p. 663); and Subsidies and State Trading (BULLETIN of Oct. 12, 1947, p. 711). The articles will appear as Department of State publication 2950.

¹ BULLETIN, Feb. 9, 1947, p. 239, and Feb. 16, 1947, p. 266.

their industry. In the chapter the practice is so described as to exclude the situation in which the possessor of certain technology simply defers its application without making any agreement with other parties on the matter. Another practice subject to investigation is the abuse of patents, trademarks, or copyrights; in the past, cartels have commonly abused such rights, using them as a means of developing harmful restraints on international trade. The inclusion of this provision in earlier drafts had raised the question of how the line could be drawn between permissible use and objectionable abuse, in view of the heterogeneous character of the various domestic patent, trademark, and copyright laws. This has been resolved in the Geneva draft by providing that the proper scope of the patent, trademark, or copyright grant is to be determined in any case by the domestic law of the country making the grant.

To insure the proper use of the Organization's powers of investigation, detailed procedures which are to be followed in the exercise of these powers are set out in the chapter. Briefly, an affected member country, acting on its own behalf or on behalf of a national, may complain in writing regarding certain business practices. If a preliminary screening indicates that the complaint may have substance, the Organization will conduct an investigation based on information obtained from members and from hearings at which the representatives of member governments and private parties, if the latter are involved, will be afforded reasonable opportunity to be heard. The Organization will then decide whether the practices in question are harmful, and, if so, it will notify all members and call upon them to take remedial action.

An alternative procedure to that of the complaint and investigation also is set out in the chapter. Any member affected by restrictive business practices carried on by commercial enterprises situated in other countries may request the Organization to arrange for consultation with such countries in order that the situation may be remedied by direct action. This procedure, which must initially be used if a complaint is directed against the independent practices of a state-controlled enterprise, may also be used in complaints against private enterprises.

The statement of general policy with which the

chapter opens is bolstered not only by the complaint and investigation provisions but also by a series of specific obligations which the members undertake. These commitments include the provision that members shall take the necessary legislative and administrative measures to carry out the general purpose of the chapter. In carrying out this obligation, however, it is expressly stated that each member is expected to act in accordance with its particular system of law and economic organization. Moreover, while there is no obligation to accept and carry out all decisions of the International Trade Organization, each member agrees to take the fullest account of such decisions in determining the action considered appropriate in the light of its general obligations under the chapter. If a member takes no action in a particular case, contrary to the recommendation of the Organization, it is committed to inform the Organization of the reasons for its inaction and to discuss the matter with the Organization, if requested to do so.

One final feature of the business-practice provisions of the charter should be noted. New material was added at Geneva by the adoption of article 50, on procedure with respect to services. At the First Meeting of the Preparatory Committee in London, the question arose as to the inclusion within the scope of the chapter of international services, such as telecommunications, shipping, aviation, and insurance. It was the view of some delegations that the industries rendering these services were affected by special considerations and would in most instances be subject to the jurisdiction of new specialized agencies. The problem was reconsidered at Geneva, and agreement was reached upon the special procedures set forth in article 50. Briefly, the article provides that if any member considers that restrictive business practices exist in relation to an international service and that such practices have such harmful effects as to prejudice seriously the interests of that member, it may submit a case to any other members whose private and public enterprises are engaged in the practices in question. The members concerned will then attempt to reach a settlement through consultative procedures. If no settlement is effected by this means, the case may be presented to the International Trade Organization, which will then transfer it to the appropriate specialized

agency, if one exists, together with such observations as the Organization may believe warranted. If no such specialized agency exists, and if members request, the Organization may make recommendations as to remedial measures. There is also a provision for cooperation between the Organization and other intergovernmental organizations with respect to restrictive business practices in the services field, and the Organization is authorized to make special studies, as requested, on matters relating to services which fall within the scope of the charter.

Viewed as a whole, the chapter represents a great stride toward the development of international standards regarding elimination and prevention of trade barriers created by commercial enterprises. Whereas, in the past, few countries other than the United States and Canada placed limitations upon the right of their businessmen to engage in restrictive business practices, the adoption of this chapter will establish standards for the conduct of the enterprises of the trading nations of the world and will create the opportunity for all countries to move toward a common policy.

Commodity Agreements

It is recognized in chapter VI of the charter that certain primary commodities, such as foodstuffs, forest and fishery products, and minerals, are produced and distributed in international trade under such conditions that the corrective forces of the market do not readily bring about adjustment to changing conditions. In the case of certain agricultural products, demand and supply are relatively inelastic; surpluses tend to pile up; price depression persists; but producers cannot move rapidly enough to adjust themselves to the new situation. As a result large numbers of them all over the world suffer prolonged hardship. In the case of some minerals, specialized producing communities, which afford no opportunity for alternative employment, experience wide-spread unemployment even though the general level of world economic activity is not depressed.

Under these circumstances governments habitually have intervened in the processes of production and distribution. In some cases they have acted unilaterally, curtailing imports or subsidizing exports without regard for the consequences that these policies might have abroad. In other cases

they have entered into agreements which sought to promote the welfare of producers by regulating output, trade, or prices with little regard for the consequences of such action for consumers, either abroad or at home.

It is the purpose of the charter to assure, first, that the action that any one government may take in these circumstances shall not adversely affect the interests of others and, secondly, that action which governments may agree to take jointly, in the interests of producers, shall not adversely affect the interests of consumers. Chapter VI of the charter is directed toward the second of these purposes. It permits governments to enter into agreements affecting international trade in primary commodities. They possess this power, of course, at the present time. The chapter does not deprive them of it. What it does is to limit the circumstances under which the power may be used and the manner in which it may be exercised. Commodity agreements are exempted from the general rules of trade policy laid down in the charter if they satisfy the conditions and contain the safeguards prescribed in this chapter. They are forbidden if they do not.

The chapter sets up a procedure under which a member who is substantially interested in a primary commodity and who experiences or foresees particular difficulties with respect to the international trade in that commodity may request the Organization to set up a study group. Such a group, composed of interested members—and, where appropriate, nonmembers—of the Organization, will conduct an investigation of conditions affecting the trade in the commodity and report its findings and recommendations to the Organization and its members. If in its opinion the situation requires such action, it may recommend the calling of a commodity conference for the purpose of preparing an intergovernmental commodity agreement. Members substantially interested in the commodity either as producers or consumers must be invited to participate in such a conference, and nonmembers may also be invited to do so. Members, in general, will not enter into any commodity agreement unless it is concluded in accordance with this procedure.

The agreements that may emerge from a commodity conference are divided into two general types. One type, called commodity-control agreements, includes all agreements that involve restric-

tions on production, exports, or imports or the regulation of prices. The other type includes all agreements that involve no such restraints. Both types of agreements must satisfy certain general requirements. Commodity-control agreements, in addition, must meet a number of conditions that are carefully prescribed.

All agreements must be open on equal terms to any member of the Organization. Countries substantially interested in the commodity as importers or consumers must be afforded adequate participation. Nonparticipating members of the Organization must be accorded equitable treatment. And all agreements must be accompanied, at every stage, by full publicity.

Commodity-control agreements may not be entered into unless one of two conditions exists. First, the commodity must be produced, in great part, by a large number of small producers; the demand for it and the supply of it must be relatively inelastic; a burdensome surplus must exist or be in prospect; and, as a result, there must be a threat of wide-spread hardship. These conditions might be satisfied in the case of several agricultural commodities. Secondly, demand for the commodity must be relatively inelastic; alternative occupational opportunities must be lacking in the areas where it is produced; and wide-spread unemployment must exist or be in prospect, with resulting hardship for large numbers of workers. These conditions might be satisfied in the case of certain minerals.

Commodity-control agreements concluded under such circumstances must be limited in duration and subject to periodic review. They must afford consuming countries and producing countries an

equal voice. They must assure the availability of adequate supplies. They must provide increasing opportunities for satisfying world requirements from economic sources. And each country participating in such an agreement must adopt a program of economic adjustment designed to make a continuation of the agreement unnecessary.

Each commodity-control agreement is to be administered by a governing body called a Commodity Council. Each country participating in the agreement is to have a voting member on the Council. The International Trade Organization is to appoint a nonvoting member and may invite other intergovernmental organizations, such as the Food and Agriculture Organization, to do so. Disputes regarding the interpretation of an agreement which cannot be resolved within the Council must be passed on to the ITO for adjudication. Each Council must report periodically to the Organization, and the Organization must prepare and publish a periodical review of the operation of all of the agreements under its supervision. Members must revise or terminate existing or future agreements if the Organization finds that they do not conform to the provisions of the chapter.

The chapter neither prohibits commodity agreements nor promotes them. It attempts to prevent abuses of the sorts that have arisen in the past. It seeks to establish principles that are economically defensible and morally sound. It is designed to safeguard the interests of consumers, to force adjustment to changing conditions, and to facilitate the early restoration of free markets. It marks the first approach toward agreement on international policy in this field.

VI. The Constitution of the ITO

The final three chapters of the charter of the International Trade Organization, as redrafted at Geneva, deal with the structure and the operation of the ITO. Chapter VII, "The International Trade Organization", establishes the various organs of the Organization and sets forth their respective functions. Chapter VIII, "Settlement of Differences—Interpretation", contains

the important provisions of the charter dealing with the handling of disputes. Chapter IX, "General Provisions", covers such questions as exceptions to the charter, amendments, and relations with nonmember states.

The present article, the last in a series of six, provides, first, a general review of the functions of the Organization and, second, a discussion of the principal articles of these three chapters.

General Review of Functions

First, the ITO is an international center for information on matters affecting trade. It will undertake to improve trade statistics. It will collect, analyze, and publish data on exports, imports, balances of payments, prices, subsidies, and public revenues from trade; on customs regulations and their administration; on economic development, commodity problems, and national commercial policies. It will prepare and publish a periodic review of the operation of commodity agreements. It will make studies of conventions, laws, and procedures relating to restrictive business practices, and of treaties and other agreements affecting trade. As a source of information on all these matters, it will be of inestimable value.

Secondly, the ITO is a center for international consultation. One nation may complain, for instance, that another is abusing the escape clause contained in its trade agreements, that it is unfairly invading foreign markets through the use of subsidies, that it is using an improper base period in the administration of a permitted export subsidy or import quota scheme, that it is imposing unreasonable impediments to the exportation of capital or technology, or that it is imposing unreasonable treatment injurious to international investment or enterprise. In any such case, the ITO will invite the nations concerned to enter into consultation and will lend its good offices to effect a settlement of their differences. It may sponsor similar consultation with respect to restrictive business practices. And, at any time when trade is so unbalanced that the permitted employment of quantitative controls over imports is wide-spread and persistent, the ITO will call a general conference to consider whether other measures might not be taken to remove the underlying causes of the disequilibrium. Any solution effected through such consultations will not be one which is dictated by the Organization but one to which its members may voluntarily agree.

Thirdly, the ITO will be a source of advice and assistance to member governments. It will develop and recommend common standards for the grading of commodities, for commercial terms, for documentation, for tariff valuation, and for the simplification of procedures that act as obstacles to trade. It may recommend the conclusion of new agreements or the modification or termi-

nation of old agreements on commercial policy, economic development, commodities, and restrictive business practices. It may draft modern international conventions and standard provisions for commercial treaties dealing with such matters as commercial arbitration, the avoidance of double taxation, the treatment of commercial travelers, the protection of foreign enterprises, skills, capital, arts, and technology, and the conditions of doing business abroad. Upon request, the Organization may also provide technical assistance on the administration of trade controls and advice with respect to programs of economic development. The ITO itself will not be in possession of industrial technology. Such knowledge is usually covered by patents that are held by private firms. These firms may sell their know-how to enterprises in undeveloped countries upon such terms as the parties to the contract may agree. But there is nonetheless a function for the Organization to perform in helping organize missions of experts to advise such countries on the larger aspects of their developmental plans.

Fourthly, the ITO will conduct investigations, hold hearings, and make recommendations to member states concerning the restrictive practices of international combines and cartels. In this case the provisions of the charter apply to business practices in international trade which "restrain competition, limit access to markets, or foster monopolistic control", whether they are engaged in by a single private or public enterprise or by a group which includes within its membership private enterprises, or public enterprises, or both. Upon complaint by a member, the ITO may make an investigation, hold hearings, and if it finds that the practice in question has such an effect, shall "request each Member concerned to take every possible remedial action, and may also recommend to the Members concerned remedial measures to be carried out in accordance with their respective laws and procedures."

The fifth—and probably the most important—function of the ITO will be that of determining whether exceptions are to be granted, in individual cases, to the agreed rules that limit the freedom of nations to employ certain restrictive measures in controlling their trade. The pattern adopted throughout the charter is the enunciation of a general rule, the enumeration of necessary

exceptions to the general rule, narrowly limited and precisely defined, the establishment of regulations and procedures whereby members of the Organization may avail themselves of these exceptions, and the provision of penalties that may be imposed, by the action of other members, in cases of violation. The ITO, it should be understood, will have no power itself to lay down the general rules; these must have been agreed upon by member states. Nor may exceptions be permitted by officials of the Organization; they must be voted by governments belonging to the conference, and they must be kept within such limits as the charter may allow.

The most important case in point here is the general rule which condemns the use of quantitative restrictions whereby one country imposes absolute limits on its imports and assigns to other countries definite quotas in its trade. It is necessary, under present economic conditions and established national policies, to permit certain specific exceptions to this general rule. The most important of these exceptions relate to countries that are in balance-of-payment difficulties and to countries that are in the process of economic development. In the first case quantitative restrictions may be permitted to forestall the imminent threat of, or stop, a serious decline in the level of monetary reserves, or, in the case of a member with very low monetary reserves, to achieve a reasonable rate of increase in its reserves. In the second case, quantitative restrictions may be permitted to promote the establishment of new industries. In both cases, however, the Organization is empowered to establish the criteria and the procedures under which exceptions may be granted and to limit the extent, the degree, and the duration of the restrictions which may be employed.

The sixth function of the ITO is that of determining whether nations have lived up to their obligations under the charter and of taking appropriate measures to obtain compliance. One member may complain, for instance, that another has refused to enter into negotiations directed toward the reduction of tariffs and the elimination of preferences, that it is using quantitative restrictions in violation of the provisions of the charter, or that it has taken some other action that impairs or violates the obligations that it has assumed. If it finds such a complaint to be justified, the ITO

may then release the complaining member, or all of the members, from corresponding obligations, with the result that the offending member will be faced with higher tariffs than would otherwise apply.

Establishment and Functions of the Organization

The Organization consists of a Conference, to which all member states belong, an Executive Board, to be composed of some fifteen to eighteen states, a Tariff Committee, a few technical commissions, and a staff. The organizational chapter (chapter VII) contains provisions of particular interest with respect to membership, functions of the organization, voting in the Conference, powers of the Conference, composition of the Executive Board, the commissions, the Tariff Committee, and relations with other organizations.

Article 68, on membership, contains a provision under which no state can be an "original Member" unless it joins within a specified initial period. This provision, similar to a provision in the articles of agreement of the International Monetary Fund, is designed to overcome the tendency of states to hold back and wait for others to join. Subsequently, applicants for membership must be approved by the Conference of the ITO.

Provision is also made in this article for participation on the part of separate customs territories which are not responsible for the conduct of their diplomatic relations, but which are autonomous in the conduct of those aspects of their external commercial relations covered by the charter. These territories will be admitted to the Organization under such terms and conditions as the Conference may decide. Provision is also made for such territories, as they develop, to be accorded full voting rights in the Organization and thus to become full members. United Nations trust territories and the Free Territory of Trieste may be given membership on terms to be prescribed by the Conference.

Article 69, on the functions of the Organization, gives the ITO authority to collect, analyze, and publish information, make studies, and facilitate consultation among members. The Organization may also make studies looking to the expansion of the field covered by international agreement. Emphasis is given this power by the provision of paragraph 4 of article 74, which authorizes the Conference of the Organization to approve

such general agreements and to submit them to members, and which requires members to accept or reject them within a specified period. Rejecting members must specify their reasons in so doing. This provision was inserted as the result of experience with other international organizations which expended great effort on the preparation of such conventions, only to have them die slowly as a result of the failure of their members to act.

Article 72 on voting in the Conference is of particular interest. In the draft charter originally proposed by the United States, it was provided that each member state should have one vote in the Conference, which is the policy-making body of the Organization. Under the United States draft, the charter obligations assumed by member governments were quite definite. As the charter has gone through successive meetings of the Preparatory Committee, the obligations have been made more flexible, discretion being given in an increasing number of cases to the Organization, acting usually through the Conference. Accordingly, the method of voting in the Conference has assumed greater significance, and the question arose at Geneva as to whether weighted voting would not be more appropriate for the Conference. The Geneva meeting decided to present the Habana Trade Conference four alternatives.

One of the alternatives is the original proposal of "one country—one vote". The second and third alternatives propose the allocation of votes on a weighted basis, according to economic importance. The second uses light weights, the third heavy weights. The fourth alternative for allocating votes would have the Conference reach decisions on specified questions by a majority of votes cast both under the unit system and under the weighted system, the combination to be employed only if requested by a member. Which of the two weighting systems would be used is not specified. The Habana meeting will have to choose among these alternatives.

Closely related to the voting power of each member is the question of the percentage of members "present and voting" required for passage of various kinds of motions. A majority is required as a general rule, but two thirds is required in certain circumstances. The question of composition of the Executive Board (article 75), and of permanent seats thereon, gave rise to unresolved dif-

ferences of opinion reflected in three alternatives to be put before the Habana Conference. Whereas most of the delegations were agreed in principle on some provision for permanent seats for the countries of chief economic importance, there was no general agreement as to what formula should be employed to measure such importance. Alternative *A* names the states which shall have permanent seats, covering eight of the proposed eighteen seats in this manner. It also assigns a number of seats to certain geographic regions—Latin America, the Arab States, and Scandinavia. The remainder are to be elected by the remaining members of the Organization which may, with Conference approval, act by groups of not less than four states. Alternative *B* merely says that the holders of seven of the fifteen seats shall be eligible for immediate re-election, the rest of the seats rotating. Alternative *C* states that the eight states of chief economic importance, as determined by the Conference, shall be entitled to membership on a board of seventeen. It also provides that eight named states (including the Benelux Customs Union) shall be appointed to the first Executive Board, leaving the other nine seats to be filled by election.

Articles 79 and 80 provide for the establishment of commissions by the Conference. Whereas previous drafts of the charter had specifically established three commissions, in the fields of commercial policy, cartels, and commodities, and had set forth their functions, it was felt at Geneva that it would be wiser to avoid including in the charter a structure which might turn out to be inflexible or top-heavy. Questions of priority in establishment and of possible overlapping with commissions and subcommissions of the Economic and Social Council contributed to the decision to avoid reference in the charter to any particular commission.

It is expected that the commissions will be composed of experts. Presumably the commissions will not be in continuous session, so it will be possible to enlist the services of persons in various fields who will in many cases be holding important jobs at home and who might not be prepared to devote full time to the ITO as members either of the commissions or of the staff. Also, this arrangement will help the commissioners to remain familiar with the domestic aspects of the problems with which they will be dealing.

The Tariff Committee established under article 81 is an autonomous body within the Organization and, in this respect, is unique among the intergovernmental organizations now in existence. It will initiate on behalf of the Organization the tariff negotiations called for in article 17. The Committee will be made up of those members of the Organization which have reduced their own tariffs and have thus given tangible proof of the sincerity of their intentions in regard to the freeing of international trade.

Article 84 covers the relation of the ITO with other organizations. The relation of ITO with the United Nations is, of course, a matter of very great importance, since the ITO must act in conformity with the over-all policy laid down by the United Nations, and this relation will be defined in an agreement similar to those reached between the United Nations and other specialized agencies. Since the ITO is one of the last of the specialized intergovernmental organizations expected to be established, the problem of its relationships to the other specialized organizations is clearer and can be dealt with more specifically in the ITO charter than in constitutions drafted earlier. Thus specific provisions as to relationship with the International Monetary Fund and the Food and Agriculture Organization are included. However, it is probable that there will be relationships with other intergovernmental organizations—for example, with the International Bank—and article 84 provides for this. Provision is also made for the absorption by the ITO of various organizations in certain limited fields, such as the International Bureau for the Publication of Customs Tariffs at Brussels, which were established long before ITO was envisaged and whose operations fall within the broad competence of the new Organization. Article 84 thus affords an opportunity for obtaining economies in international organization.

Differences and Disputes

Since the obligations of ITO members are important and since they admittedly involve matters of some complexity, there will almost certainly be a large number of differences and disputes between members. Accordingly, one of the principal functions of the ITO will be the resolving of such differences and disputes in accordance with the charter. Chapter VIII is devoted to this subject.

The procedure for settling disputes has three broad stages. The first is for a member having a complaint to make representations to other members involved. If this is not successful, the second step is for the matter to be referred to the Organization, in the first instance to the Executive Board. The Executive Board may refer the matter to the Conference, or a ruling of the Board may be appealed to the Conference by an interested member. The Executive Board may, with the approval of the members concerned, arrange for arbitration of the dispute. A third step, if necessary, is reference to the International Court of Justice, in accordance with article 65 of the Statute of that Court, which states that "the Court may give an advisory opinion on any legal question at the request of whatever body may be authorized by or in accordance with the Charter of the United Nations to make such a request".

General Provisions

Since the effectiveness of the ITO is directly affected by the number of its members and their importance in international trade and since states which join the ITO take on substantial obligations, it is important to provide an impetus for all eligible states to join and also to make it difficult, if not impossible, for them to receive the benefits of the Organization without assuming its obligations. Accordingly, it is necessary to include some provision which denies ITO benefits to states which are eligible for membership but which, nevertheless, do not join the Organization. Attitudes at Geneva on this question tended to vary according to the strength of commercial and other ties with states whose membership in the Organization is problematical. It seemed best to defer this question until the World Conference, but three alternatives are included in article 93 to facilitate consideration of the problem at Havana.

Alternative A, the weakest of the three, permits a member having substantial trade with nonmembers to suspend the application of any provision of the charter, requires it thereupon to afford other members an opportunity for consultation, and permits it, in the absence of agreement, to withdraw from the Organization. Alternative B requires any member wishing to maintain or enter into an

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EIGHTIETH CONGRESS, FIRST SESSION, AND THE UNITED NATIONS

by Sheldon Z. Kaplan

It is the well-established policy of the United States to place major reliance on the United Nations as the central organization for the maintenance of international peace and the promotion of international cooperation. The article which follows is the first of a series of two describing the activities of the First Session of the Eightieth Congress in fulfilling the obligations which flow from this policy.

Part I

I. Introduction

Students of American foreign policy will remember the Seventy-ninth Congress of the United States as the legislative body which made possible the beginning of a new era in international relations: the participation of this Government in the world organization upon which rests the hope of mankind for the achievement of international peace and security—the United Nations.¹ But the Eightieth Congress will be remembered for the excellent beginnings made by its First Session² toward the enactment of municipal legislation needed to implement the responsibilities which flow from that participation. Notwithstanding a congested legislative calendar, due in part to the application of the new machinery of the Legislative Reorganization Act of 1946,³ and

¹ United Nations Participation Act of 1945, Public Law 284, 79th Cong., 1st sess. (Dec. 20, 1945); 59 Stat. 619 (1945), 22 U.S.C. sec. 287 (supp. 1946).

² The Congress convened Jan. 3, 1947, and adjourned at 3:50 a. m. Sunday, July 27, 1947, under a special agreement which permits the Republican leadership, consisting of the president *pro tempore* of the Senate, the speaker of the House of Representatives, the majority leader of the Senate, and the majority leader of the House of Representatives, all acting jointly, to notify the members of the Congress to reassemble in special session whenever in the opinion of those four leaders the public interest shall warrant it. See S. Con. Res. 33, providing for the adjournment of the two Houses of Congress until Jan. 2, 1948, as amended by the House. (*Cong. Rec.*, July 26, 1947, p. 10599.) Without such a provision a call could be issued only by the President of the United States, who always has that right.

³ Public Law 601, 79th Cong., 2d sess. (Aug. 2, 1946), the major provisions of which became effective Jan. 2, 1947 (see sec. 142 of the act).

in part to the fact that a Republican majority for the first time since 1932 was in control, the First Session came to grips with many important legislative proposals bearing upon our foreign relations generally, and, in particular, cementing and fortifying the participation of the United States in the work of the United Nations, in whose success

⁴ *Hearings Before Committee on Foreign Affairs on H. R. 3836, 80th Cong., 1st sess., p. 6 (1947).* See also BULLETIN of Sept. 21, 1947, pp. 539-543. The argument advanced in some circles that Public Law 75, 80th Cong., 1st sess. (May 22, 1947), "An act to provide for assistance to Greece and Turkey", is in clear derogation of the United Nations policy enunciated by the Secretary of State and implicitly bypasses the United Nations was completely answered—at least to the satisfaction of Congress—by the then Under Secretary of State, Dean Acheson, in his memorandum on "Questions and Answers Relating to the Greek-Turkish Aid Bill", *Hearings Before Committee on Foreign Affairs on H. R. 2616, 80th Cong., 1st sess., pp. 341-386 (1947)*, particularly pp. 341-344. S. Rept. 90, 80th Cong., 1st sess. (1947) at p. 16 makes it abundantly clear that assistance to Greece and Turkey will constitute a fulfillment of a basic objective of the United Nations Charter; to create conditions of political and economic stability which will preserve the freedom and independence of its members and thus safeguard their sovereign equality. "The United Nations was not created to supersede friendly relations between states through assistance from one state to another to carry out the purposes set forth in the Charter."

⁵ The Charter was submitted to the Senate as a treaty and approved July 28, 1945, by a vote of 89 to 2 (91 Cong. Rec., p. 8329 (1945)). Upon deposit of ratifications by China, France, the U.S.S.R., the United Kingdom, the United States, and a majority of the other signatory states, it became effective Oct. 24, 1945, when it "... came into force as a fundamental law for the peoples of the world ...", in the words of the President in his first annual report on the activities of the United Nations and the participation of the United States therein for the year 1946, submitted to Congress pursuant to sec. 4, United Nations Participation Act of 1945, Public Law 264, 79th Cong., 1st sess. (Dec. 20, 1945), cited *supra* in note 1. See Department of State publication 2735, the United States and the United Nations Report Series 7, for complete text of report.

⁶ For a comprehensive list see Department of State publication 2690, *International Agencies in Which the United States Participates*. For contributions authorized by the first session, see Department of State Appropriation Act, 1948, title I, Public Law 166, 80th Cong., 1st sess. (July 9, 1947).

⁷ One of the six principal organs of the United Nations. The other five are: the General Assembly, the Security Council, the Trusteeship Council, the International Court of Justice, and the Secretariat (U.N. Charter, art. 7, par. 1).

our Government and the American public share a continual concern. This becomes readily apparent upon a review of the activities of the First Session of the Eightieth Congress in this regard, and serves to buttress the statement made by Secretary of State Marshall that "It is the recognized policy of the United States Government to place major reliance on the United Nations as the medium for achieving international peace and security."⁴

The United Nations, the public international organization established under that name by the Charter of the United Nations,⁵ is, of course, the major international organization in which the United States participates. There exist, however, many other public international organizations in which our Government enjoys membership and to which it makes substantial contributions.⁶ Though retaining separate legal entities and operating under their own internal constitutions, several of these organizations have been brought into close relationship with the United Nations, in accordance with articles 57 and 63 of the United Nations Charter:

Article 57

1. The various specialized agencies, established by intergovernmental agreement and having wide international responsibilities, as defined in their basic instruments, in economic, social, cultural, educational, health, and related fields, shall be brought into relationship with the United Nations in accordance with the provisions of Article 63.

2. Such agencies thus brought into relationship with the United Nations are hereinafter referred to as specialized agencies.

Article 63

1. The Economic and Social Council may enter into agreements with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the General Assembly.

2. It may coordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations.

Thus, only public international organizations which have been, or are expected to be, brought into relationship through appropriate agreement with the Economic and Social Council⁷ should be classi-

fied as "specialized agencies",⁸ in the technical sense. But, in this summary of the activities of the First Session of the Eightieth Congress with regard to the United Nations, it is appropriate to include not only the specialized agencies affected by Congressional action but also other public international agencies affected thereby, whose objectives are clearly in accord with the Charter of the United Nations, notably the Caribbean Commission and the South Pacific Commission.

II. Responsibilities of the "Host" Nation

A. United Nations permanent headquarters and the Rockefeller gift

The Congress, by concurrent resolution passed unanimously by the House of Representatives, December 10, 1945, and agreed to unanimously by the Senate the following day, invited the United Nations "to locate the seat of the United Nations Organization within the United States".⁹ The United Nations decided in February 1946 to accept the invitation and to establish its headquarters in this country. There followed deliberations and discussions within the Organization as to the exact location in the United States of its permanent headquarters. Rumor shifted from Westchester County, New York, to Fairfield County, Connecticut, then to Boston, Philadelphia, San Francisco, New York City, and so on.¹⁰ The matter, virtually one of the most difficult and vital organizational problems with which the United Nations has been confronted, was finally concluded during the second part of the first session of the General Assembly, when on December 14, 1946, it was resolved "That the permanent headquarters of the United Nations shall be established in New York City in the area bounded by First Avenue, East 48th Street, the East River and East 42nd Street".¹¹

This resolution was adopted in almost immediate response to a letter dated December 10, 1946, from John D. Rockefeller, Jr., to Eduardo Zuleta Angel, Chairman of the Permanent Headquarters Committee of the United Nations, in which Mr. Rockefeller offered to donate the sum of \$8,500,000 for the purpose of making available to the United Nations as its permanent headquarters a site in New York City located and bounded by Forty-second Street, Forty-eighth Street, First Avenue, and the East River. Certain conditions were specified in the offer: one being that the city of New

York would donate to the United Nations that part of the site not covered by the option obtained by Mr. Rockefeller from the owners, and another that his gift would be exempt from the Federal gift tax. To achieve this exemption meant an amendment to the Internal Revenue Code by Congressional enactment, and the matter had to be acted upon promptly, since Mr. Rockefeller's option on the land in question was to expire February 28, 1947.

The Eightieth Congress, aware of the responsibilities of the United States as "host" nation and of the excellent opportunity afforded the United Nations to accept an extremely generous offer from a public-spirited citizen, *did* act promptly. Within twenty days from the date of the letter of the President of the United States (February 6, 1947) to the Congress on this matter, a joint resolution of Congress¹² became law, with two days to spare before the expiration of Mr. Rockefeller's option.

Under the terms of the amendment to the Internal Revenue Code enacted by Congress, gifts made in the period beginning December 2, 1946, and ending December 1, 1947, to the United Nations " . . . to be used exclusively for the acquisition of a site in the city of New York for its headquarters . . . " are exempt from Federal estate and Federal gift tax.¹³ Such gifts are

⁸ The specialized agencies, as of the date of this writing, include ILO (International Labor Organization), FAO (Food and Agriculture Organization of the United Nations), UNESCO (United Nations Educational, Scientific and Cultural Organization), ICAO (International Civil Aviation Organization), all of which have actually been brought into relationship with the United Nations by agreements with the Economic and Social Council, approved by the General Assembly, and the Bank (International Bank for Reconstruction and Development), the Fund (International Monetary Fund), WHO (World Health Organization), IRO (International Refugee Organization), the proposed ITO (International Trade Organization), UPU (Universal Postal Union), and ITU (International Telecommunication Union), which agencies are expected to be brought into relationship with the United Nations.

⁹ H. Con. Res. 75, 79th Cong., 1st sess. (1945).

¹⁰ See in general U.N. docs. A/69, October 1946, and A/311, July 1947.

¹¹ U.N. doc. A/64/Add. 1, Jan. 31, 1947, p. 196, and U.N. doc. A/277, Dec. 13, 1946.

¹² H. J. Res. 121, which became Public Law 7, 80th Cong., 1st sess. (Feb. 26, 1947).

¹³ Without such an amendment to the Internal Revenue Code, a donor making a taxable gift of \$8,500,000 would be required to pay a gift tax ranging from \$3,700,000 to \$4,800,000. See S. Rept. 35, 80th Cong., 1st sess., p. 2 (1947).

also allowed as a deduction in computing net income for Federal income-tax purposes, to the same extent as gifts for public or charitable purposes, provided they are made within the period specified.

B. United States-United Nations headquarters agreement

The United States Congress, having extended an invitation to the United Nations to locate its permanent home in this country and having made it possible for the Organization to accept a tax-free gift of \$8,500,000 for the acquisition of a permanent site in New York City, was faced with still a further responsibility toward its guest. This duty can best be described in the words of the President in his message to the Congress, July 2, 1947, transmitting an agreement between the United States and the United Nations concerning the control and administration of the headquarters of the United Nations in the City of New York:

"The United States has been signally honored in the location of the headquarters of the United Nations within our country. Naturally the United States wishes to make all appropriate arrangements so that the Organization can fully and effectively perform the functions for which it was created and upon the successful accomplishment of which so much depends.

"This Agreement is the product of months of negotiations between representatives of this Government and the United Nations. Representatives of the City and State of New York participated in these negotiations. The Agreement carefully balances the interests of the United States as a Member of the United Nations and the interests of the United Nations as an international organization.

"I urge the Congress to give early consideration to the enclosed Agreement and to authorize this Government by joint resolution, to give effect to its provisions."¹⁴

¹⁴ H. R. Doc. 376, 80th Cong., 1st sess., pp. 1-2 (1947). The circumstances leading up to the agreement, the original text thereof, and an analysis of its provisions, in addition to the President's message, are all conveniently set forth in this document. For a statement by the Secretary of State on the agreement, see *BULLETIN* of July 6, 1947, p. 27.

¹⁵ S. J. Res. 144 passed the House July 26, 1947, with amendments, and the Senate the same day. It became law Aug. 4, 1947. (Public Law 357, 80th Cong., 1st sess.)

¹⁶ "It is clear that the United States cannot tell the

The agreement, in effect, serves to implement article 104 of the Charter of the United Nations, which provides that "The Organization shall enjoy in the territory of each of its Members such legal capacity as may be necessary for the exercise of its functions and the fulfillment of its purposes", and article 105, which provides, in part, that "The Organization shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfillment of its purposes" and, further, that the General Assembly "... may make recommendations with a view to determining the details of the application ..." of this provision.

To make possible the free and unobstructed performance of the duties with which the United Nations has been entrusted, the agreement, in its provisions of major importance, grants to the Organization freedom from certain types of domestic regulations; recognizes that the headquarters district is inviolable (as was the headquarters of the League of Nations in Switzerland), but places the Organization under an obligation to prevent the district from becoming a refuge for persons attempting to avoid arrest; safeguards the right of persons of all nationalities having legitimate business with the United Nations (representatives of members, officials of the United Nations, and other persons having business with the Organization) to have access to the headquarters district by providing that the Federal, State, or local authorities are not to impose any impediments to transit to or from the district; confers upon limited classes of representatives of member states of the United Nations the same privileges and immunities as are accorded to diplomatic envoys accredited to the United States (provision is made for physical limitation of the area in which such immunities may be claimed by representatives of member states which are not recognized by the United States); and authorizes the United Nations to establish and operate radio facilities.

When Congress was faced with a consideration of the approval of the agreement, in the form of S. J. Res. 144,¹⁵ its chief concern was to balance the right of access to the headquarters district against certain important considerations involving the national security of the United States.¹⁶ Accordingly, there was added, in addition to certain other minor changes, a new section to the joint

resolution (introduced, appropriately, by Senators Ives and Wagner of New York), which reads as follows:

"SEC. 6. Nothing in the agreement shall be construed as in any way diminishing, abridging, or weakening the right of the United States to safeguard its own security and completely to control the entrance of aliens into any territory of the United States other than the headquarters district and its immediate vicinity, as to be defined and fixed in a supplementary agreement between the Government of the United States and the United Nations in pursuance of section 13 (3) (e) of the agreement, and such areas as it is reasonably necessary to traverse in transit between the same and foreign countries. Moreover, nothing in section 14 of the agreement with respect to facilitating entrance into the United States by persons who wish to visit the headquarters district and do not enjoy the right of entry provided in section 11 of the agreement shall be construed to amend or suspend in any way the immigration laws of the United States or to commit the United States in any way to effect any amendment or suspension of such laws."

Under the terms of Section 28 of the headquarters agreement, it is not to come into effect until "... an exchange of notes between the Secretary-General, duly authorized pursuant to a resolution of the General Assembly of the United Nations, and the appropriate executive officer of the United States, duly authorized pursuant to appropriate action of the Congress." The Secretary-General has not yet been authorized to accept the agreement for the United Nations, although it may be expected that such action will have been taken during the second regular session of the General Assembly.

A word should be said at this point concerning the International Organizations Immunities Act.¹⁷ The act extends certain privileges, exemptions, and immunities to public international organizations in which the United States participates pursuant to any treaty or under authority of any act of Congress authorizing such participation or making an appropriation for such participation and which shall have been designated by the President through appropriate Executive order.¹⁸ The following organizations have, as of the date of this writing, been so designated by the President:

The Food and Agriculture Organization
The International Labor Organization
The Pan American Union
The United Nations
The United Nations Relief and Rehabilitation Administration¹⁹
Inter-American Coffee Board
Inter-American Institute of Agricultural Sciences
Inter-American Statistical Institute
International Bank for Reconstruction and Development
International Monetary Fund
Pan American Sanitary Bureau²⁰
Intergovernmental Committee on Refugees
International Wheat Advisory Committee (International Wheat Council)²¹
United Nations Educational, Scientific and Cultural Organization
International Civil Aviation Organization
International Telecommunication Union²²
Preparatory Commission for International Refugee Organization
International Refugee Organization (when it supersedes the Preparatory Commission)²³

It should be borne in mind, however, that although the United Nations is included in this list, at the time of designation by the President it was too early to ascertain precisely what the principal requirements of the United Nations would be, since the first session of the General Assembly of the United Nations was still in session and its permanent headquarters had not been selected. When the site was definitely agreed upon by the United Nations, as described above, it became necessary

other member nations who should or who should not represent them at the seat of the United Nations and cannot claim any right of veto over the Secretary-General's appointment of personnel to the staff of the United Nations. In general, the United States, as host country, must permit access to the headquarters on the part of all persons who have legitimate business with the Organization. This involves inevitably the admission of a number of aliens, some of whom would not normally be admissible under immigration laws of the United States.

"The principal problem considered by the committee was how this right of access to the headquarters could be granted in a manner which would not prejudice the security of the United States against infiltration on the part of subversive alien elements." S. Rept. 559, 80th Cong., 1st sess., pp. 5-6 (1947).

¹⁷ Public Law 201, 79th Cong., 1st sess. (Dec. 29, 1945), 59 Stat. 669.

¹⁸ *Ibid.*, title I, sec. 1.

¹⁹ Ex. Or. 9698, 11 *Federal Register* 1800 (1946).

²⁰ Ex. Or. 9751, 11 *Federal Register* 7713 (1946).

²¹ Ex. Or. 9823, 12 *Federal Register* 551 (1947).

²² Ex. Or. 9863, 12 *Federal Register* 3559 (1947).

²³ Ex. Or. 9887, 12 *Federal Register* 5723 (1947).

for the United States and the United Nations to negotiate a special agreement covering the new arrangements required as a result of the selection of the permanent home in New York City. The position which the United States took during the prewar years and with relation to the League of Nations was that there exists no obligation under customary international law to extend to personnel of public international organizations privileges, exemptions, and immunities accorded either to foreign diplomatic agents, or non-diplomatic government officials.²⁴ Thus the International Organizations Immunities Act was a big step forward taken by our Government, through Congressional enactment, to insure the effective performance of the functions and the fulfilment of the purposes of these organizations. It is to the credit of the Eightieth Congress that it took the further step of bridging the gaps in existing law by enacting the joint resolution authorizing the President to accept the permanent headquarters agreement, substantially as transmitted by the President to the Congress for its action.

C. International Organizations Procurement Act of 1947

The "host" nation, cognizant of the rules and

²⁴ Hackworth, *Digest of International Law*, vol. IV, pp. 422-423 (1942).

²⁵ Public Law 384, 79th Cong., 2d sess., p. 17 (May 18, 1946).

²⁶ Under this authority the United Nations purchased \$348,758.37 worth of paper from the Government Printing Office and \$261,545.99 worth of miscellaneous office supplies and furniture through the procurement services of the Bureau of Federal Supply, Treasury Department. See H. R. Rept. 952, 80th Cong., 1st sess., p. 5 (1947).

²⁷ S. Rept. 611, 80th Cong., 1st sess., pp. 2-3 (1947).

²⁸ *Ibid.*, p. 1.

²⁹ Public Law 354, 80th Cong., 1st sess. (Aug. 4, 1947).

³⁰ Sec. 2 (1) provides: "(1) The term 'international organization' means any public international organization having its headquarters in the United States and entitled to enjoy, in whole or in part, the privileges, exemptions, and immunities authorized by and in accordance with the International Organizations Immunities Act (59 Stat. 669)." This includes, thus far, the following organizations: Food and Agriculture Organization, Pan American Union, United Nations, Inter-American Coffee Board, Inter-American Institute of Agricultural Sciences, Inter-American Statistical Institute, International Bank for Reconstruction and Development, International Monetary Fund, Pan American Sanitary Bureau, and the International Wheat Advisory Committee (International Wheat Council).

regulations governing the extension of hospitality, was not oblivious to the acute procurement needs with which the United Nations was faced in the early days of its settlement in this country. Thus, the Second Deficiency Appropriation Act, 1946²⁵ contained a provision authorizing any agency of the United States Government to furnish or to procure and furnish materials, supplies, and equipment to the United Nations until December 31, 1946, on a reimbursable basis. This was an emergency measure, designed to enable the new-born Organization to purchase supplies vitally needed for its housekeeping and administrative purposes, such as typewriters, desks, paper, photostat equipment, and mimeograph machines.²⁶ The emergency, however, continued beyond December 31, 1946, and when Trygve Lie, the Secretary-General of the United Nations, informed the Department of State early in 1947 of the continuing procurement crisis (due to excessively high prices of needed items, even when obtainable from private sources), the Department took action to initiate a request to Congress for the necessary legislation. In his letter of transmittal to Congress, the Secretary of State urged renewal of the authorization, with extension of its benefits to other public international organizations in addition to the United Nations, and pointed out the advantages that would accrue to the international organizations and to the United States itself from the proposed legislation.²⁷

The Senate Foreign Relations Committee recommended the passage of the bill, S. 1574, in the following words: "Since it would enable the United States Government, at no cost to itself, to render valuable assistance to international organizations which have made their headquarters in the United States and in whose success our Government is vitally interested, the committee recommends the bill for the favorable consideration of the Senate."²⁸

The bill, as it finally passed the Congress and was approved by the President,²⁹ enables the two chief procurement agencies of the Government, the Bureau of Federal Supply of the Treasury Department and the Government Printing Office, until July 1, 1948, to furnish or procure and furnish administrative supplies to international organizations, as defined in the act,³⁰ on a reimbursable basis of the costs and expenses involved, with the proviso contained in section 3 that these two

agencies ". . . protect the interests of the United States Government in having access to sufficient supplies for its own needs, . . ."

The possible criticism of the act on the ground that the time limit contained therein may be too restricting on the procurement activities of the United Nations is answered by the assurance contained in the House Foreign Affairs Committee report that the Congress will consider the requirements of the United Nations with regard to the construction of its permanent home when construction actually begins and the needs relative thereto can be more fully ascertained.³¹

D. Protection of the seal, emblem, and name of the United Nations

The General Assembly of the United Nations in a resolution adopted unanimously at its fiftieth plenary meeting, December 7, 1946,³² recommended that members of the United Nations should take appropriate steps to prevent the commercial exploitation of the emblem, the official seal, and the name of the United Nations by means of trademarks or commercial labels, without authorization by the Secretary-General of the United Nations. Accordingly, a bill "To prohibit and punish the unauthorized use of the official seal, emblem, and name of the United Nations, and for other purposes", H.R. 4186, was introduced in the House of Representatives by Congressman Javits, a member of the House Committee on Foreign Affairs. In the words of the Committee, "The proposed legislation would prevent the growth of the practice of commercially exploiting the concept of the United Nations. At the same time it avoids infringement on established rights in the language in section 3, providing that those who established their use of the name, initials, emblem, or seal of the United Nations before the effective date of the Charter may continue such use for the period remaining under a valid trade-mark or copyright. Such trade-marks or copyrights are, however, not to be subject to renewal. Those who have established a use of the name or initials or emblem concerned since the determining date and prior to the enactment of the proposed act are granted leeway of 1 year in which to bring such use to an orderly end."³³

The bill passed the House on July 25, 1947, and will be considered in the Senate during the next session of the Eightieth Congress.

III. "Humanitarian" Responsibilities of the United States

One of the major purposes of the United Nations, as expressed in the Charter, is "To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion . . ."³⁴

This purpose covers an enormous range of human endeavor with which the United Nations has been charged. If, indeed, it will be responsible for the fulfillment even in part of some of these ideals, the Organization will have justified its existence and merited the support of all the civilized nations of the world.

That the United Nations on the one hand, has been quick to focus its attention on these international responsibilities may be seen when its actions are viewed in connection, in particular, with three humanitarian projects: The International Refugee Organization, the World Health Organization, and the International Children's Emergency Fund. That the United States on the other hand, as a leading sponsor and a leading member of the Organization, has been acutely aware of its responsibilities toward the relief and betterment of the lot of mankind everywhere, is, likewise, readily apparent. The cooperation of the Eightieth Congress in these programs gives impressive testimony to the fact that it recognizes the desperate seriousness of the world situation.

A. The International Refugee Organization (IRO)

In keeping with the purpose set forth in paragraph 3, article 1 of the Charter, the General Assembly, by a resolution of February 12, 1946, decided that the complex and world-disturbing problem of refugees and displaced persons is international in character and that a single international organization should take over the functions

³¹ H. R. Rept. 952, 80th Cong., 1st sess., p. 4 (1947).

³² U.N. doc. A/64/Add.1, Jan. 31, 1947, p. 186; see also U.N. docs. A/204, Dec. 2, 1946 and A/204/Add.1, Dec. 4, 1946.

³³ H. R. Rept. 1043, 80th Cong., 1st sess., p. 3 (1947).

³⁴ U.N. Charter art. 1, par. 3. This paragraph indicates that the framers of the Charter realized that the maintenance of peace and security is not solely a matter of settling disputes or dealing with threats to the peace or cases of actual aggression.

being performed by many different organizations. As a result of studies carried on, pursuant to this decision, by special committees of the General Assembly and the Economic and Social Council, the General Assembly, on December 15, 1946, approved the constitution of the International Refugee Organization.³⁵ The United States played an active role in this matter, consistent with the policy adopted by the Secretary of State, recognizing that the care and disposition of displaced persons is a collective international responsibility just as was the military defeat of Germany and the punishment of Nazi war criminals.

The constitution of Iro was opened for signature the same day it was approved by the General Assembly, and Senator Austin, the Representative of the United States at the seat of the United Nations, signed it on behalf of the United States, subject to final approval by Congress to make effective this Government's membership and participation. Accordingly, S. J. Res. 77, "A joint resolution providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor", was introduced in the Senate on February 24, 1947, by Senator Vandenberg. The resolution was unanimously approved by the Senate Foreign Relations Committee on March 12, 1947, and passed the Senate on March 25, 1947, by unanimous vote, after undergoing a lively and thorough debate.³⁶ As it passed the Senate it included a proviso, sponsored by Senators Revercomb and Donnell, designed to dispel the fear that the Constitution of the Organization might be interpreted as authorizing the President to conclude agreements with the organization which would have the effect of suspending or modifying our immigration laws.³⁷ When the matter came

before the House Foreign Affairs Committee, this amendment was adopted along with its own amendments, lowering the ceiling of \$75,000,000 on the amount appropriated for the fiscal year beginning July 1, 1947, to \$73,500,000 and adding a new section, section 5, to take care of the anticipated interim period between the end of UNRRA (June 30, 1947) and the beginning of Iro.³⁸ With these amendments the House of Representatives passed the joint resolution, June 26, 1947, which was agreed to and passed by the Senate.³⁹ On July 1, 1947, it became law.⁴⁰

Public Law 146 accomplishes four things of major importance—it authorizes the President to accept membership in Iro for the United States, with the immigration safeguard contained in the proviso, as noted above (section 1); it vests in the President the requisite authority to designate the United States representatives and alternates who are expected to attend the sessions of Iro (section 2); it authorizes the appropriation of such sums, not to exceed \$73,325,000 for the fiscal year beginning July 1, 1947, as may be necessary for the payment of the United States contributions to Iro, and such sums, not to exceed \$175,000 for the same fiscal year to cover salaries and other expenses of United States representatives and alternates (section 3); it authorizes any Government agency to furnish or procure and furnish supplies and services to the organization on a reimbursable basis (section 4); and finally, it enables the Secretary of State, during the interim period between July 1, 1947, and the coming into force of the constitution of the organization, to make advance contributions to the Preparatory Commission of the International Refugee Organization (section 5).

The contributions which the Organization is expected to make toward the relief of refugees and displaced persons are outlined very completely in the statement which the then Under Secretary of State, Dean Acheson, made before the Senate Committee on Foreign Relations at hearings of that Committee on Iro on March 1, 1947. Mr. Acheson said:

"What is it that this constitution provides? It establishes an organization to deal on an integrated basis with the whole problem of refugees and displaced persons. For the purposes of this organization, a displaced person is someone who had to leave his own country as a result of the actions of

³⁵ U.N. doc. A/64/Add.1, Jan. 31, 1947, pp. 97-121. Upon signature without reservation, or acceptance by 15 states, it will come into force provided the total of their assigned contributions as set out in an appendix to the constitution amounts to 75 percent of the total budget for the fiscal year 1947. BULLETIN of July 13, 1947, p. 61. See also Department of State doc. SD/IRO/1, Mar. 21, 1947. (Mimeo.)

³⁶ 93 Cong. Rec., pp. 2565-2602 (Mar. 25, 1947).

³⁷ *Ibid.*, p. 2602.

³⁸ H. R. Rept. 464, 80th Cong., 1st sess., p. 1 (1947).

³⁹ For passage in the House, see 93 Cong. Rec., pp. 7914-7915 (June 26, 1947); for acceptance by Senate of House amendments, see *ibid.*, pp. 7970-7971 (June 27, 1947).

⁴⁰ Public Law 146, 80th Cong., 1st sess. (July 1, 1947).

the Nazi or Fascist authorities. A refugee is, generally speaking, anyone outside of his own country who was either a victim of Nazi persecution or who now is unwilling to return to his own country as a result of events which took place subsequent to the outbreak of the war. In general, the organization concerns itself with such people only when certain conditions are fulfilled, i.e., that such persons desire to be repatriated and need help in order to be repatriated or for good reasons refuse to return voluntarily to their own countries. These are primarily the people whom the occupying armies found on their hands when they entered Germany, Austria, and Italy. They were people who had been taken against their will to Germany during the war, largely for the purpose of slave labor, or were people who, through fear of persecution or through lack of sympathy with the regimes which have been established in their own countries, fled to Germany, Austria, or Italy for protection. The organization will also be concerned with similar problems in the Far East, particularly with overseas Chinese displaced by operations of the Japanese armies."⁴¹

Recognition of the part played by the Eightieth Congress was voiced by Ambassador Austin, chief of the United States Mission to the United Na-

tions,⁴² in his statement to the press when the United States adhered to the constitution of IRO.⁴³ To help nearly a million refugees and displaced persons to find homes and useful work, and an opportunity to live out their lives in peace and happiness is a great contribution to the humanitarian needs of mankind. The Eightieth Congress has laid the foundation for that contribution.

⁴¹ BULLETIN of Mar. 9, 1947, p. 425.

⁴² Ex. Or. 9844, 12 *Federal Register* 2765 (1947) designates the U.S. Representatives to the United Nations as the "United States Mission to the United Nations". For text see BULLETIN of May 4, 1947, p. 798.

⁴³ U.S. Mission to the U.N., press release 195 (July 3, 1947):

"Presentation of this instrument of adherence to the Constitution of the International Refugee Organization by the United States Government is one of the more satisfying tasks which I have had to perform as the United States Representative at the Seat of the United Nations. This means not only that we have moved a great deal closer to full establishment of the Iro, but it also demonstrates once again the wholehearted devotion that the people and the Government of the United States have for the cause of the United Nations. *The large majorities by which both Houses of the Congress have voiced their approval of the International Refugee Organization are stirring and enthusiastic votes of confidence for this urgent humanitarian task.*" (Italics supplied by author.)

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¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

THE PROGRAM OF THE INTERDEPARTMENTAL COMMITTEE ON SCIENTIFIC AND CULTURAL COOPERATION

Cooperation With Cultural Centers in the Other American Republics, 1947

by Edmund R. Murphy

The program of the Interdepartmental Committee on Scientific and Cultural Cooperation includes assistance for binational cultural centers in 29 of the American republics. The following article describes the academic, informational, cultural, and social activities of these centers and their effort to portray life in the United States through the teaching of English, by collections representative of American books, phonograph records, and art, and in lecture services by American authorities.

The twenty-ninth binational cultural center to be assisted by the Department of State opened its doors to the public in Ciudad Trujillo on June 24, 1947, when George H. Butler, Ambassador of the United States to the Dominican Republic, presented the flag of the United States to the Instituto Dominico-Americano at a special inauguration ceremony. Located in a building facing Independence Park and housing classrooms, a library, and a *sala* containing representative collections of American books, phonograph records, and reproductions of American art, this cultural center provides an example of the good-neighbor policy in action and is a concrete expression of cooperation among peoples of the Western Hemisphere.

The type of cultural institution represented by the Instituto Dominico-Americano is a local, autonomous, cultural society incorporated under the laws of the host country. Its governing body is a local board of directors, made up of nationals and resident Americans, who are intellectual, professional, and business leaders of the community. The society's charter usually provides for the es-

tablishment of a nonprofit corporation which, without religious or political motivation, is dedicated to furthering understanding between the country concerned and the United States through the sponsorship of appropriate academic, informational, cultural, and social activities. Provision is made for democratic election of officers and board members, fees and conditions of membership are described, and day-to-day administration is made the responsibility of an appointed "director" or "executive secretary" who provides guidance to the organization's various programs in accordance with policies established by the board of directors. Although the president of the organization is usually a national of the country, the position of director or executive secretary has, in practice, almost always been an American who serves as an employee of the board. As the membership and student body grow in size and as the needs of the organization increase, a local staff is employed. English teachers, including two or three recruited in the United States and a larger number recruited locally, conduct classes. A national is employed to teach Spanish or Portuguese;

a librarian is added to handle the book collection. If the center's book collection is large, an American librarian is sometimes employed. Clerks, stenographers, a janitor, and servants complete the staff.

Since 1940, the United States Government has provided in Latin America moral and material assistance to such local societies. This assistance is now a part of the program of the Interdepartmental Committee on Scientific and Cultural Cooperation and is administered by the Division of Libraries and Institutes, Department of State. The centers were founded as a means of focusing interest in and satisfying curiosity about the United States. The earliest institution featuring an English-language program and providing a locale and a friendly atmosphere where Americans and Argentines could meet and talk on an easy, informal basis was founded at Buenos Aires in 1927, under the name Instituto Cultural Argentino-Norteamericano. Like the seven others at Habana, Port-au-Prince, São Paulo, Rio de Janeiro, Santiago, Lima, and Caracas, the Argentine center was in existence before this Government embarked on its present program of cultural cooperation with the other American republics.

In October 1947 there were twenty-nine cultural centers, known variously as Instituto, Centro, Clube, Academia, União, or Associação, receiving some assistance from the Department. In addition, two large English-teaching programs operated in conjunction with the American libraries at Managua and Montevideo, and thirty-seven branches of the principal cultural centers received some support. By June 30, 1948, there will be United States-oriented cultural centers in every Latin American capital except San Salvador. The rapid growth of this institutional program is striking testimony to the dynamism of the cultural-center idea and the zealous interest of Latin Americans in our language and culture.¹

Because cultural centers have always been largely dependent on local sources for their support, it was natural that they should give first attention to providing English instruction, since the most obvious way to support the activity was through fees paid for such instruction. It was logical, too, that emphasis should be placed on reducing language barriers as a means of creating better understanding among peoples and unlocking the storehouse of information available

through publications printed in English. Classes were organized in beginning, intermediate, and advanced English. They were offered during the evening hours when schoolteachers, office workers, government clerks, professional people, mill hands, factory workers, and day laborers could attend.

As the demand increased and professionally competent personnel were recruited for the centers, special classes were offered to meet the needs of certain groups such as doctors, dentists, nurses, lawyers, physicists, university students, and others. Techniques and materials were tested, discarded, and revised, and only those methods were retained which would contribute toward gaining a speaking and reading knowledge of English in a minimum time. Vocabulary was limited to the practical, and the ornamental was discarded. Literary masterpieces lost their place to contemporary materials written in the vernacular. Out of these cultural-center laboratories, from the pens of American teachers, came several textbooks, such as Frederick Sparks Stimson's *Fundamentos de la conversación inglesa*, John G. and Jeanette J. Varner's, *Inglés moderno*, James Paul Stoakes' *Inglés práctico*, Dr. Esther J. Crooks' *First Year English* and *Fourth Year English*, Hazel M. Messimore's *Second Year English*, Dr. Ples Harper's *Third Year English*, Audrey Wright's *English Review and Practice*, Lionel Landry's *English Conversation for Advanced Students*, Clifford Prator's *Repasemos nuestro Inglés*, and *Lecturas norteamericanas para principiantes suramericanos*, Faye Bumpass and Patricia Elliott's *Seven Short Stories*. For Brazilian students of English, Ned C. Fahs and Raymond Sayers have produced *English for Americans* (unpublished), and Chryssie Hotchkiss, Ralph Dimmick, and Ralph Ingalls have assembled a manuscript called *Americans Speaking*. At the Instituto Mexicano Norteamericano de Relaciones Culturales in Mexico City there is currently being developed a series of English textbooks, based on the principles developed by Dr. Charles C. Fries of the University of Michigan. Some centers became publishers of their own textbooks, including

¹ For a description of the growth of cultural centers between 1940 and 1945, see *Cultural Centers in the Other American Republics*, Department of State publication 2503, pp. 2-4.

several of those mentioned above, and the use of these texts spread rapidly to other centers.

English teachers in the local schools were naturally attracted to the cultural centers where special in-service training courses were developed, supplemented by intensive seminars offered during vacation months. Associations of English teachers were formed. They found willing cooperation at the centers, most of which became the headquarters for such associations. As a result of these developments, cultural centers came to be known as places where one could really learn to speak English.

So successful was the English-language instruction that by the end of 1946 the centers reported a total of 40,000 students enrolled in English classes. By October 1947, enrolment in some centers indicated an activity which had reached the proportions of big business. In Buenos Aires, the total topped 4,000; in São Paulo, 3,500; in Mexico City, 2,500; in Rio de Janeiro, nearly 2,000 were attending; in Lima, 1,500; and in Bogotá and Caracas, approximately 1,000.

The advantages to local business firms of having employees with a knowledge of English have been so obvious that, in more than one instance, local firms have paid the tuition fees of their employees to encourage them to study English in the cultural centers. For example, in April 1947 the Centro Colombo-Americano at Bogotá reported that 234 of its students were employees of local companies which defrayed all or part of their tuition fees. One firm in São Paulo in September 1946 was paying the tuition of 20 employees who were students of English at the União Cultural Brasil-Estados Unidos. In Costa Rica, a power and light company contributed approximately \$2,000 to the Centro Cultural Costarricense-Norteamericano for the privilege of sending as many as 20 employees annually over a ten-year period for instruction in the Centro. In July 1947, 30 employees of an oil company in the Dominican Republic enrolled in beginning and intermediate English classes of the Instituto Dominicano-Americano at company expense.

The local demand for English instruction has long since outgrown the available space of most cultural centers. Hundreds of eager applicants are turned aside every time registration opens. In January 1947, when the classes of the English Language Institute at Mexico City, with accom-

modations for about 2,000 students, announced that they would accept registration to fill 300 vacancies existing at that time, nearly 2,500 aspirants struggled for entrance on January 28. Applicants started forming a line at 4 o'clock in the morning and, as the day advanced, the queue extended farther and farther down the street and around the corner. Crowds were finally waiting on three different streets. Meanwhile, a few youths climbed over roofs and through a skylight of the Biblioteca Benjamin Franklin to get at the registration desk ahead of the line. A woman fainted. The police who were called to maintain order somehow managed to get themselves registered for the English classes. These classes have recently been moved from the Biblioteca Benjamin Franklin to a new building at Yucatan and Zacatecas Streets as part of a plan to help solve space problems for both the library and the Instituto Mexicano-Norteamericano de Relaciones Culturales.

It was inevitable in the beginning that major emphasis would be placed on the language-teaching programs of the centers, but as they began to develop cash surpluses, the centers turned their attention to the encouragement of activities which, while producing little by way of revenue, brought ample returns in a better understanding of the respective cultures of the participating peoples. Most important, perhaps, has been the attention to the book collections, composed largely of American books in English but including small collections of works of American authors in translation and books about the United States written in Spanish or Portuguese. A small section containing books about the host country for the benefit of Americans is also usual. Following the pattern of the best small public libraries in the United States, the centers have aimed at: (1) acquiring a well-rounded collection of representative United States books, including basic reference tools; (2) the development of public reference service; and (3) the creation of an organization which would provide, to a greater or lesser extent, a model of a small United States library, which could eventually serve as a laboratory for the training of local librarians. To assist in the attainment of these aims, this Government has detailed itinerant American librarians to furnish advice, help organize the collections, and train local staffs. Li-

brary of Congress cards are furnished to form the catalog, and books and library supplies are sent from this country.

Considering the limitations of some of the book collections, the shortage of professionally trained library personnel available locally, the meagerness of resources, and the lack of adequate physical plants, the aims described are admittedly lofty. It is still early to estimate the extent to which it will be generally possible to achieve the standards set, but prospects are encouraging, and in some instances the gains have been remarkable. For example, the Instituto Cultural Brasil-Estados Unidos in Rio de Janeiro reported that an average of 530 reference questions a month were answered through their library service during the first quarter of 1947, including an average of 85 per month which were handled by mail. The União Cultural Brasil-Estados Unidos in São Paulo, Brazil, reported that a total of 9,880 reference questions were answered during the second quarter of 1946 and 12,000 for the third quarter of 1946. The evidence available indicated that the questions answered in cultural centers ranged from inquiries about simple geographical locations to such complex ones as a request for "the alveolar equation of the multiple-factor theory of the control of respiratory ventilation". The general development of book services in the cultural centers is indicated by the fact that the total number of books in the collections increased from 45,000 in 1945 to 72,000 by the end of 1946, while, during the same period, total circulation figures rose from 24,000 to 180,000.²

During 1947, the academic offerings of the cultural centers have been augmented by a program of visiting American lecturers; their services were made available under a project financed by the Division of International Exchange of Persons and carried out in conjunction with the Division of Libraries and Institutes of the Department of State. At the request of the centers, the Department sought to furnish outstanding talent to provide short lecture courses in such subject fields as American history, literature, institutions, architecture, political science, music, and art. Under this program Arthur S. Aiton, professor of Hispanic-American history at the University of Michigan, lectured at the Centro Colombo-Americano in Bogotá; Robert G. Caldwell, dean of humanities of the Massachusetts Institute of

Technology and professor at the Fletcher School of Law and Diplomacy, was featured at the Instituto Cultural Peruano-Norteamericano in Lima; and Kenneth J. Conant, professor of architecture, Harvard University, was popular with cultural-center audiences in Brazil and Argentina. William D. Hesseltine, professor of history, University of Wisconsin, interested cultural-center students and general audiences in American history in San José, Costa Rica, and Guatemala City, Guatemala. Philip W. Powell, associate professor of history, Northwestern University, visited the Centro Ecuatoriano-Norteamericano in Quito, and Stanley T. Williams, professor of American literature, Yale University, was sent to Mexico City to lecture under the auspices of the Instituto Mexicano-Norteamericano de Relaciones Culturales. Aaron Copland, eminent American musician, composer, and conductor, lectured to cultural-center audiences in Brazil and, under the auspices of the centers, talked with Brazil's outstanding musicians and acted as guest conductor to local orchestras. The centers cooperated in this program by organizing classes, featuring books and visual aids which would supplement the lectures, providing the necessary advance publicity, and making contacts with appropriate institutions and professional groups.

In addition, the cultural centers have regularly availed themselves of the lecture services of other American scientists, scholars, diplomats, businessmen, artists, musicians, librarians, and teachers traveling abroad, under both public and private auspices. Many distinguished Americans have contributed lectures in their respective specialties to cultural-center audiences and groups of interested persons assembled by the centers.

Aided by excellent libraries of phonograph records and specially designed amplifying equipment, representative reproductions of American art, collections of photographs suitable for exhibit, and slide and film-strip projectors, the centers sponsor a varied program featuring many aspects

² For a more comprehensive account of cultural-center book collections see Josephine C. Fabilli, "Libraries in the United States Cultural Centers in the Other American Republics", the *Record* (published by the Interdepartmental Committee on Scientific and Cultural Cooperation, Department of State), June 1946, pp. 9-16.

of the culture of both the United States and the host country. Art exhibits, concerts, dramatic presentations, club activities, exhibits of United States books, photographs and posters, receptions, teas, dances, and games form a part of the cultural and social programs of the centers. Documentary films about life in the United States, furnished through the motion-picture unit of the United States Information Service of the United States mission, attract throngs of Latin Americans from all social strata and serve to correct many wrong impressions of the United States which are common abroad. While records on attendance at such functions are incomplete, the figures available indicate that during the calendar year 1946 some 360,000 persons were present at general functions of the centers.

The nature and variety of the cultural and social programs characteristic of the cultural centers have been described at some length in an article by Leonard Ross Klein, formerly director of English courses at the Associação Cultural Brasil-Estados Unidos in Bahia, Brazil.³ Although cultural programs at the centers are universally popular, not all of them attract as much attention as the art exhibit held at the União Cultural Brasil-Estados Unidos of São Paulo from April 19 to May 5, 1947. Deciding that the public of São Paulo was surfeited with a diet of exhibitions by the same well-known painters, the American director of the department of English and his staff prepared a preliminary plan for exhibition of the works of 19 young Brazilian painters who had hitherto been unknown. The idea was discussed with and approved by the board of directors, and the center prepared a striking catalog containing a short biography of each of the "Novos", with an introduction and a self-portrait by a popular artist and critic. Even before the center was prepared to advertise its plans, the *Jornal de São Paulo* and *Diário de São Paulo* broke the story, characterizing the forthcoming exhibition as a "coming major event in the art world of São Paulo". The *Diário da Noite* began soliciting

the opinions of well-known artists concerning the exhibit and São Paulo's outstanding artists were unanimous in their praise of the União's plan.

The exhibit, consisting of 251 works of art including drawings, *guaches*, and oils, was opened at the Galeria Prestes Maia on April 19. Civil and military authorities, critics, artists, board members, teaching staff, and Consul General Cecil M. P. Cross were in attendance. On April 20, the newspaper *Estado de São Paulo* announced, "The painting exposition inaugurated yesterday at the Galeria Prestes Maia, under the auspices of the União Cultural Brasil-Estados Unidos, represents one of this year's most important events in the field of plastic arts". Several days later local art critics published remarks which started a series of controversial articles, first between critics and the new artists and later among the critics themselves. The public, their curiosity being thus aroused, flocked to the exhibit to the number of 50,000 during the first two weeks. One critic proposed that the whole controversy be aired publicly, and this was done in a series of public forums which attracted about 600 people to each session. The press continued to praise the exhibit, and Geremia Lunardelli, Paulista industrialist, interested himself to the extent of offering cash prizes to the participating artists. On the night of May 5, the prizes were awarded at a special ceremony featuring, besides the winning artists, a play by one of São Paulo's best dramatic companies.

By bringing to the fore the work of these 19 artists, the União helped to adopt them into the artistic family of São Paulo. As a result, several of them were employed as illustrators for newspapers and magazines and otherwise found that their work had commercial value. According to the report from São Paulo, wherever one sees the works of these new artists referred to, a legend is included pointing out that the artist was one of those "who took part in the exposition of the 19 painters".⁴

Many of the contributions made by cultural centers toward inter-American understanding, such as the friendships which have grown from close acquaintance of Latins with Americans who have served in the classrooms and libraries of the centers, may be regarded as long range and not susceptible to measurement. However, certain immediate advantages of such a program to both

³ See "Making Friends With Our Neighbors", *Bulletin of the Pan American Union*, September 1947, pp. 467-475.

⁴ This account is based on a report dated May 5, 1947, submitted by Joseph F. Privitera, American director of the department of English of the União Cultural Brasil-Estados Unidos of São Paulo.

Latin Americans and *Norteamericanos* provide the real explanation of why nationals of all countries concerned have been willing to contribute toward its support.

The centers have met an insistent demand for high-caliber instruction in English and have trained an estimated 80,000 Latin Americans in the language in the past five years. Through the forming of and cooperation with national associations of English teachers, they have kept Latin American teachers abreast of the latest in United States pedagogical techniques and materials and have improved the professional qualifications of such teachers by conducting intensive summer courses in English and by otherwise providing for their in-service training. In this way the centers' influence in teaching English has extended to the base of the national school systems and contributed toward making English the foreign language of first importance in the curricula of schools throughout Latin America. The textbooks developed in and published by the cultural centers have been of considerable interest to the various educational centers in the United States which are concerned with teaching English as a foreign language for the benefit of foreign students.

Through the English-teaching program, the centers have improved the qualifications of employees serving in national and American firms abroad, thereby performing a service for both the employee and the employer. As has been previously stated, the advantages of training in English have been so obvious that industry has increasingly subsidized this training for their employees.

Romance-language students in United States high schools and colleges reap benefits from United States participation in the cultural centers' program, since the American teachers sent to the cultural centers are recruited primarily from the ranks of Spanish and Portuguese teachers in United States schools and after two, three, or more years' service in Latin America ordinarily return to their former academic pursuits with greatly improved professional qualifications. They then bring to the American classrooms a thorough knowledge of the language they are teaching, plus a foreign experience which enables them to provide a more realistic interpretation of Latin America for the benefit of their students in this country. Far-sighted school boards and college administrators have encouraged their teachers

to participate in the program because of the obvious advantages which will accrue to their respective institutions.

Through their book service, the centers have acquainted Latin readers with the latest and best of American publications, popularized them among center clientele, and provided a fair picture of contemporary United States life. By including American classics, the centers have furthered understanding of our literary heritage. Circulation of American books and the conduct of an efficient public reference service, while not yet an impressive feature of most centers' activities, are potentially two of their most important services.

The overseas programs of several United States Government agencies, particularly those participating in the Interdepartmental Committee on Scientific and Cultural Cooperation, have found that the centers supplement and assist their activities in various ways. They often provide the language instruction which trainees in industrial and technical fields need before they can profit from training in the United States. The book collections in the centers sometimes provide materials which further such training programs carried on locally. Moreover, the centers provide an audience and a platform for the professors, technicians, government specialists, and others who go to the other American republics under either government or private auspices.

Latin American students who aspire to study in the United States or who have returned to their homes after studying in institutions of higher learning in the United States have naturally gravitated to the cultural centers because the centers have cooperated with the local binational scholarship selection committees by screening applicants and administering tests which determine students' fitness for study in an English-speaking institution. Publicizing available scholarships and announcing the method of applying for them have been part of this function. The possession of collections of college catalogs and reference books on public and private schools in the United States enables the centers to provide information and guidance to such students. Alumni associations, comprising important groups of students who have studied in the United States, have been formed by many of the centers. By using the

center as headquarters, the alumni associations provide a body of students who can advise their friends who plan to study in the United States and who can make their experiences known to general cultural-center audiences.

Americans traveling to the principal cities of Latin America find the centers a convenient place to locate information about the host countries. They enjoy the opportunity afforded to meet Latin Americans in an informal situation and to participate in activities which serve to interpret both their own and the respective Latin American countries. Among the most enthusiastic supporters of the program of assistance to cultural centers are private American citizens who find that visits to the cultural centers add materially to the enjoyment of their foreign travel. After observing the varied activities sponsored by the centers, they are proud that they are helping to support such a program. While the American Embassies and Consulates abroad have invariably felt an obligation to perform similar services for traveling Americans, they have had neither the staff nor the facilities to do so. Now, they find they can simply refer visitors to the centers, with confidence that such visitors will be hospitably received.

The centers have provided an opportunity for members of the Foreign Service and resident Americans abroad to learn, or to review, Spanish, Portuguese, and French (in Haiti), both in social situations and in formal classes taught by competent Latin American teachers at minimum cost.

Finally, the cultural centers have afforded a training ground in cooperative educational and information programs for professional Americans. By administering and participating in programs of the centers American personnel gain experience which has in individual instances been useful to the Department of State in filling similar positions in the Foreign Service Reserve or Foreign Service Staff. Such a contribution may be increasingly important in the future as cultural and information programs achieve maturity and assume their full role as part of the foreign policy of the United States.

In the early stages of the cultural-center program it was doubtless feared by Americans, on one hand, that participation in such a program would mean a heavy and continued burden on the American taxpayer; and by people of the other American republics, on the other hand, that United States

participation would transform what were essentially local institutions into tools of an alleged Yankee imperialism. Time has proved both fears to be groundless.

Appropriations by the Congress of the United States increased steadily from 1941 up to the fiscal year 1948. Meanwhile, the program was growing in size and importance out of all proportion to the increased appropriations. Also, the amount of funds raised from local sources abroad was increasing faster than the contributions of this Government. By the end of 1946, 59 percent of the cost of the entire operation of twenty-four cultural centers, three large English-teaching programs, and various branch activities was derived from local sources.

The principal sources of local income are: (1) fees from classes and dues for membership; (2) contributions from interested local business firms and individuals; (3) subsidies from the host governments; (4) miscellaneous receipts from local activities; and (5) gifts in the form of property or materials. Contributions from local business firms and from individuals have formed an increasingly important part of the centers' local fiscal structure.

During 1947, the American Society in Mexico City donated \$4,000 to the Instituto Mexicano-Norteamericano de Relaciones Culturales for the purpose of constructing an auditorium. The American Society in Santiago, Chile, has regularly subsidized the Instituto Chileno-Norteamericano de Cultura of that city. A prominent steamship company made contributions to cultural centers in both Concepción and Valparaíso, Chile, during this year. A Chilean firm also provided funds for the center in Concepción. In January, three companies donated a sum aggregating almost \$1,000 to the Centro Cultural Paraguayo-Americano in Asunción. When United States military establishments in Habana, Cuba, and Recife and Fortaleza, Brazil, were withdrawn, military authorities donated substantial collections of American books to the local cultural centers in those places. Harold W. Soule, director of the college department of an American publishing company, offered his private collection of recordings of classical music, including from 1,000 to 1,500 records, to the cultural center in San José, Costa Rica.

In 1947 the Congress appropriated \$584,868 to provide assistance in the form of American per-

sonnel, materials, and small grants of cash to defray operating deficits which cannot be covered from local sources. Reports thus far available suggest that by the end of 1947 nearly \$800,000 will have been derived from local sources.

Thus, despite the hazard of unprecedented inflation and the consequent sharp increase in all operating costs, the cultural centers have made gains toward self-sufficiency. At the same time, the cost of Washington personnel to administer the Department's program of assistance has been less than 4 percent of the amount spent from all sources on the program abroad.

The sincerity of the United States Government in participating in a program which has served the interests of all concerned has been evidenced in many ways beyond mere financial cooperation. The assistance provided by the Department of State has been primarily in the form of professionally qualified Americans who have served as teachers of English and as administrators of the cultural centers, under the direction, and as employees, of the local binational boards of directors. By June 1947, there were 84 such Americans serving in cultural centers on grants from the Department. They were providing effective language instruction, book services, and an active program of social and cultural activities, as well as sound business management. This personnel was supplemented by some 300 locally hired employees. The implication is not intended that the contributions of individual American citizens have been forthcoming entirely from staffs supplied by the Department. The Americans and nationals of the boards of directors and the locally hired staffs have likewise served the centers' cause with both zeal and devotion. Individual Foreign Service officers and their wives have been instrumental in founding some of the centers and have traditionally cooperated in many ways toward furthering the success of the centers' activities.

The energy, enthusiasm, and practicality of these Americans who have served the interests of the centers have demonstrated to the cooperating Latin Americans the indubitable sincerity of the United States, and they have dispelled whatever fears may have existed that United States assistance would mean infringement on local autonomy. Unquestionably the maintenance of harmonious and friendly relations in this cooperative program has been derived from the selfless service per-

formed by the teachers and administrators in the cultural centers, the Americans on the boards of directors, interested members of the Foreign Service, and other traveling and resident Americans who have displayed their interest in the work of the centers. Therein lies the real explanation of why this Government has succeeded as a collaborator in the program.

The conclusion that the program of assistance to cultural centers is a cooperative enterprise will be self-evident. It is cooperative in the sense of Americans and foreign nationals working together harmoniously toward mutual ideals of peace and understanding. It is cooperative in the sense that its benefits accrue to both parties to a bilateral program. In a financial sense, it is cooperative in that support is derived from public and private sources in both the United States and in the countries of Latin America. Those persons who seek reciprocal institutions in the United States will find them in the twenty-three inter-American centers located in the principal cities of the United States, where the interest of our citizenry has been focused in organizations dedicated to familiarizing Americans with Latin American culture. These counterparts of the cultural centers abroad are financed at present from private United States sources, but the inclination of Latin America to come to the assistance of cultural centers in the United States has been demonstrated this year by the Argentine Government. Using the Instituto Cultural Argentino-Norteamericano in Buenos Aires as his pattern, Oscar Ivanissevich, Argentine Ambassador to the United States and representative of Argentina on the Governing Board of the Pan American Union, initiated Spanish-language classes at the Argentine Embassy in Washington, D. C., under the name Escuela Argentina. At the school's inauguration on March 29, 1947, it was announced that the language classes would later be followed by a United States and Argentine cultural institute which would eventually sponsor a full-fledged cultural program, including the awarding of scholarships to American students for study in Argentina. The precedent established in this way by Argentina may well be followed by other American republics which have so often demonstrated their interest and good will in practical projects contributing to mutual understanding in this Hemisphere.

THE ECONOMIC AND SOCIAL COUNCIL—FIFTH SESSION

by Kathleen Bell

The Fifth Session of the Economic and Social Council of the United Nations came to a close at 1:36 a.m. on Sunday, August 17, 1947.

For a full month the Council had worked steadily to complete its heavily loaded agenda. Much of the success of the session was due to the impartial and expeditious manner in which Jan Papanek, Vice Chairman of the Council and Representative of Czechoslovakia, had presided over the meetings. The United States was represented by Willard Thorp and his Deputy, Leroy Stinebower.

The agenda consisted of 39 items, which included reports from Commissions of the Council, approval of preparations for two international conferences, agreements with specialized agencies, three items submitted by nongovernmental organizations in category (a), and final preparations for the United Nations Appeal for Children. The record of the session lends weight to the closing words of the President of the Council when he stated that "the work on short-term projects is beginning to bring positive results and machinery set up for long-term programmes is beginning to function".

One of the major functions assigned to the Economic and Social Council by the Charter is the coordination of the activities of the "specialized agencies through consultation with and recommendations to such agencies". To aid in the discharge of this function the Charter further provides that the Economic and Social Council may enter into agreements with the specialized agencies. Nine agreements have so far been approved by the Economic and Social Council, five of them at the Fifth Session alone: the agreements with the Universal Postal Union, the International Telecommunication Union, the World Health Organization, the International Bank for Reconstruction and Development, and the International Monetary Fund. The Council Committee on Ne-

gotiations with Specialized Agencies has held over 50 meetings to negotiate all these agreements.

There was some urgency in concluding the agreements with the Universal Postal Union and the International Telecommunication Union at the Fifth Session of the Council, since the Plenipotentiary Congress of the International Telecommunication Union and the General Congress of the Universal Postal Union, which met this summer in Atlantic City and Paris, respectively, convene only at five-year intervals. With this in mind, the Council sent its Negotiating Committee to Paris in June 1947 to work out the agreement with the Universal Postal Union. For this negotiation, as well as those held later at Lake Success, Dr. Papanek acted as President, while Walter Kotschnig, Adviser to the United States Representative, served as the United Nations negotiator and rapporteur.

The agreements arrived at with these two organizations differ in form though not in substance from those concluded earlier with other specialized agencies. The articles on budget and finance and on personnel arrangements are less detailed, and the articles in earlier agreements on relations with the various organs of the United Nations are condensed in one article. In the Negotiating Committee as well as in the Council, the Norwegian Representative objected to these differences. He introduced a resolution in the Council approving the agreement but noting "the special circumstances under which these agreements were concluded which made it impossible for the time being to reach agreement in more close conformity with other agreements with Specialized Agencies," and asking that they be revised at the earliest possible date. In opposition it was pointed out that it was never expected that the agreements with all specialized agencies should be identical. The International Telecommunication Union and the Universal Postal Union are organizations with

highly technical functions, small staffs, and accordingly small budgets, making unnecessary lengthy articles on budget and finance and on personnel arrangements. The principles established by the Charter governing the relationships with specialized agencies are fully safeguarded in the agreements. The Norwegian resolution was finally carried, omitting, however, the clause requesting revision at an early date.

The negotiation with the World Health Organization was conducted with representatives of the Interim Commission and will have to await final approval by the First Session of the General Conference of the World Health Organization. This negotiation, based to a large extent on the International Labor Organization agreement, was concluded in the record time of three hours, with negotiators of both sides readily accepting minor amendments and compromises.

The agreements with the International Bank for Reconstruction and Development and the International Monetary Fund posed special problems. The negotiators for the Bank and the Fund, Mr. McCloy and M. Gutt, emphasized that their organizations must at all costs be protected against any political pressures. This was particularly important for the Bank as it was considering specific loans. It was stated that unless the independence of the Bank was recognized in this respect, the organization would have difficulties in placing its securities on the market. Both negotiators also emphasized that they could not accept any budgetary control on the part of the United Nations and pointed out that both organizations finance their administrative expenses from the proceeds of operations and not by way of contributions from member states.

All parties recognized, in line with a legal opinion delivered by the Assistant Secretary-General for Legal Affairs, that under articles 58, 60, 63(2) and 64(1), the United Nations has as one of its principal functions the task of making recommendations to specialized agencies. The Economic and Social Council accepted, however, in article IV(3) of the agreement with the Bank, that the "United Nations recognizes that the action to be taken by the Bank on any loan is a matter to be determined by the independent exercise of the Bank's own judgment in accordance with the Bank's articles of agreement. The United Na-

tions recognizes, therefore, that it would be sound policy to refrain from making recommendations to the Bank with respect to particular loans or with respect to terms or conditions of financing by the Bank".

With regard to budgetary matters, article X, paragraph 3, of the agreements reads in part: "the United Nations agrees that, in the interpretation of paragraph 3 of Article 17 of the United Nations Charter, it will take into consideration that the Bank (Fund) does not rely for its annual budget upon contributions from its members and that the appropriate authorities of the Bank (Fund) enjoy full autonomy in deciding the form and content of such budget". This formulation does not preclude recommendations on the part of the General Assembly regarding administrative budgets of the Bank and the Fund but makes them unlikely.

These particular articles and certain minor divergencies from the model agreements with specialized agencies were vigorously opposed by the Representatives of Norway and the Soviet Union on the grounds that they are contrary to the letter and spirit of the Charter. They emphasized the need for budgetary coordination by way of recommendation on the part of the General Assembly. Notwithstanding this opposition, it was the view of the majority of the Council that the agreements were in conformity with the Charter; they were approved by a vote of 13 in favor, 3 against, and 2 abstentions. The Representatives of Norway and the Union of Soviet Socialist Republics indicated that they would raise the issue again before the General Assembly, which must approve the agreements before they can come into force.

In the economic field two of the vital items discussed were the preparations for the United Nations Conference on Trade and Employment and the reports of the two regional Commissions, the Economic Commission for Europe (ECE) and the Economic Commission for Asia and the Far East (ECAFE).

The preparations for the long-awaited Iro conference have finally been completed with the Council consideration of the interim report from the Preparatory Committee of the United Nations Conference on Trade and Employment. This Committee was established by the Council at its

First Session and was charged with the task of making preparations for a United Nations Conference on Trade and Employment. The Preparatory Committee met in Geneva from October 15 to November 26, 1946, and again from April 10 to August 15, 1947. The Committee's report covered the proposed agenda, date and place, invitations, and voting rights to be given to non-United Nations members.

At Geneva, the Cuban Government extended an invitation to hold the conference in Habana; the Council, noting that this generous offer included an "offer of conference facilities and financial assistance to meet the additional costs to the United Nations of holding the Conference away from headquarters", resolved that the conference should be held in Habana beginning November 21, 1947. The agenda for the conference as approved by the Council is based upon the various chapters of the draft charter. It includes items on employment and economic activity, economic development, general commercial policy, restrictive business practices, and intergovernmental commodity arrangements, together with provisions relating to organization, membership, and other miscellaneous matters.

The question of invitations and voting rights caused considerable discussion. The Preparatory Committee had recommended that, in addition to members of the United Nations, the following countries be invited to participate, with full voting rights, in the work of the conference: Albania, Austria, Bulgaria, Eire, Finland, Hungary, Italy, Portugal, Rumania, Switzerland, Transjordan, and Yemen. It was further recommended that "provision should be made for the attendance of persons qualified to represent the appropriate authorities in Germany, Japan and Korea" and separate customs territories such as Burma, Ceylon, and Southern Rhodesia.

The Council accepted the recommendations of the Preparatory Committee on the issuance of the invitations. The Representative from India requested that Pakistan and the Republic of Indonesia also be sent invitations. The Council approved the proposal, although the Economic Committee of the Council had recommended that no direct invitation be issued to the Republic of Indonesia. The Council, furthermore, decided to send invitations to the specialized agencies and

other appropriate intergovernmental organizations and to nongovernmental organizations in category (a).

The United Kingdom strongly supported the granting of voting rights to non-United Nations members, stating that the proposed conference was a functional one dealing with practical matters leading to the acceptance of important obligations. The success of the trade conference depended upon the fullest possible coverage of the world economy. Mr. Stinebower, the Deputy United States Representative, countered that the granting of the right to vote would break the precedent established in the United Nations Health Conference. He did not think that there was validity to the argument that absence of voting rights would cause lack of interest. Since the conference was to be called the United Nations Conference on Trade and Employment, there should be some distinction between members of the United Nations and non-United Nations members. It was made perfectly clear, however, that the United States approved of non-United Nations members' becoming full-fledged members of the Iro upon adhering to the charter. A resolution proposed by Canada stating that "voting rights shall be exercised only by United Nations Members attending the Conference" was finally accepted.

The report of the Economic Commission for Europe covered its first two sessions (May 2-14 and July 5-16, 1947). In the course of these meetings, the Commission had adopted its rules of procedure, which provide for inclusion of Russian as a working language and for special consultative arrangements for nongovernmental organizations. It had taken steps toward the termination of the European Coal Organization, the European Inland Transport Organization, and the Emergency Economic Committee for Europe and the transfer of the functions of these organizations to the Economic Commission for Europe. To this end the Commission had decided, subject to the approval by the Economic and Social Council, to set up a coal committee and an inland-transport committee of its own, as well as a number of other committees and subcommittees dealing with electric power, industry, and materials, including timber, fertilizer, and alkalis, and a panel on housing problems. The Commission had furthermore instructed its Executive Secretary to consult with the Allied

Control Council concerning the establishment of liaison in Berlin and with the control authorities concerned regarding the organizational arrangements necessitated by the transfer to the Commission of the activities of the ECO, ECEC, and ECRO. In the discussion of the report, the Representative of the Union of Soviet Socialist Republics objected strongly to this instruction to the Executive Secretary for the establishment of a liaison with the Allied Control Authorities and also wanted it made clear that the references to inland transport should not be interpreted to include the "internal European waterways of international significance". These two objections were not formally upheld by the Council, which approved the work thus far accomplished by the Commission and decided to transmit to the Commission the views expressed by members of the Council.

The Economic Commission for Asia and the Far East, the second regional commission to be established by the Council, reported on its first session, which met in Shanghai, and the work accomplished by the Committee of the Whole, which met at Lake Success. The ECAFE, like the ECE, was established to aid in the reconstruction of war-devastated countries and for the period of reconstruction. The Commission recommended that a study be made of the reconstruction needs of the countries within the geographic scope of the Commission and of the sources from which the requirements of these countries could best be met. The Committee of the Whole recommended to the Council that certain territories might be accepted as associate members of the Commission if an application was presented "by the member responsible for the international relations of such territory". Associate membership would entitle the representatives of the territories to participate without vote in the work of the Commission and the Committee of the Whole and would allow them to be "appointed to and hold office on any subordinate body established by the Commission". The Council accepted this recommendation and "requested Members of the Commission concerned to forward such applications". In addition the Council extended the terms of reference of the Commission to allow it "to make recommendations on any matters within its competence directly to the Governments of Members or Associate Members concerned, Governments admitted

in a consultative capacity and the Specialized Agencies concerned." It also authorized the Commission to consult with the representatives of the respective control authorities in Japan and Korea.

Following the discussion of the two regional commissions came a proposal by the Representative of Chile to create a Commission for Latin America. This Commission, unlike the other two already established, would not be a commission for assistance in reconstruction but rather a body to help in the economic development of the Latin American countries. The United States Delegation suggested that the establishment of this commission should wait upon the outcome of the Ninth International Conference of American States convening in January 1948 in Bogotá, which is to study the entire inter-American system with a view to its reorganization. Consequently, a resolution was passed creating an *ad hoc* committee consisting of Chile, China, Cuba, France, Lebanon, Peru, the United Kingdom, the United States, and Venezuela to study the factors bearing upon the creation of such a commission and to consult with the interested agencies and the Bogotá conference.

The proposal to establish this commission and the hint that there might eventually be a proposal to establish one in the Middle East led the New Zealand Representative to propose a resolution requesting the Economic and Employment Commission to examine and report on the general questions involved in the creation of regional commissions. It was argued that the Council should decide to establish commissions on a functional or on a regional basis but not on both, as their activities would invariably overlap. The Council approved this proposal and expects to consider the report of the Economic and Employment Commission at its session in July 1948.

Two other Commission reports were before the Council. The first was submitted by the Fiscal Commission, reporting for the first time to the Council. It outlined an elaborate program of work which in all its major aspects was endorsed by the Council. The Secretary-General was requested *inter alia* to build up a fiscal information service, including information on national budgets, Government revenue, appropriations and expenditure, public debt, taxation problems, and other significant facts and trends relative to public finance; to arrange for the publication of a Public Finance

Survey, 1937-1947, and of a volume, Public Debt, 1914-1947, continuing the work of the League of Nations in these fields; and to collect data on international tax problems, including discriminatory taxes imposed upon foreigners.

The report of the Economic and Employment Commission was subjected to severe criticism as being "too academic" and "full of generalizations". The Representative of the Union of Soviet Socialist Republics, supported by several other members of the Council, complained that the report did not do justice to the needs of underdeveloped and of smaller countries. The Representatives of the Netherlands and Norway asked that the Commission give consideration to concrete problems such as the existence of bottlenecks to reconstruction. After a prolonged, inconclusive discussion, the Council decided to "take note" of the report and referred to the Commission the comments made in the course of the discussion.

Although the United States Delegation was prepared for an extended discussion, the question of international control of oil resources, an item proposed by the International Cooperative Alliance over strong objections from some delegations, was merely noted by the Council. Other items in the economic field which were included in the agenda were the report of the Timber Conference, convened by the Food and Agriculture Organization, and the reports of the Secretary-General on relief needs after the termination of UNRRA, on the financial needs of devastated countries, on the reconstruction of Ethiopia and other devastated areas not included in the report of the Temporary Subcommission, and on expert assistance to member governments. These were largely progress reports or reports which did not call for any specific action by the Council, and the Council, therefore, simply took note of them.

The report of the Meeting of Experts on Passport and Frontier Formalities, another item on the agenda, recommended measures to reduce, simplify, and unify the passport and frontier formalities of the various nations. The Council, before taking any further steps, requested the Secretary-General to make a comparative analysis of the relations between the practice of member governments and the recommendations of the Meeting of Experts and of the extent to which members have indicated willingness to change their present

practices to conform with the recommendations of the experts.

Since the Council concluded that its agenda was too long and other items more pressing, consideration of the universal adoption of a world calendar, an international metric system of weights and measures, and the decimal system of currencies and coinage was postponed "for the time being".

As on the economic side, one of the most important questions the Council considered in the social field was the preparation for an international conference—the Conference on Freedom of Information. As in the discussions on the preparation for the Conference on Trade and Employment, one of the problems was the question of invitations and voting rights for non-United Nations members. Following a consistent policy, the Council decided that voting rights should be exercised only by members of the United Nations and that invitations should be issued to the same list of countries not members of the United Nations as was approved for the Conference on Trade and Employment, with the exception of the Republic of Indonesia.

With regard to the time and place of the conference, the Council had to inform the General Assembly that it was not possible to complete preparations in time to hold it in 1947 as originally recommended by the General Assembly. It was recommended that the Subcommission on Freedom of Information and of the Press continue its preparations for the meeting, which will begin March 23, 1948, in Geneva.

The report of the Subcommission was made directly to the Council, rather than through the Commission on Human Rights, because of the urgency of preparations. The Representative of the U.S.S.R. took sharp issue with the report and particularly the proposed agenda for the Conference on Freedom of Information, which he found quite inadequate because it failed to emphasize the character and tasks of a responsible press. He submitted a substitute statement and agenda, which, however, were rejected by the Council, and the discussion continued on the Subcommission report. The Council approved the organization of the forthcoming conference into a General Committee and four principal committees and requested the Secretary-General in cooperation with UNESCO and other intergovernmental organizations in the field

to prepare the necessary documentation on the basis of the provisional agenda. The provisional agenda as approved by the Council includes a general discussion of the principles of freedom of information; a consideration of certain fundamental principles to which media of information should have regard in gathering, transmitting, and disseminating news and information; measures to facilitate the gathering of information and the international transmission of such information; measures concerning the free publication and reception of information; consideration of the drafting of a charter of rights and obligations of the media of information; problems involved in the establishment of governmental and semigovernmental information services; and the implementation of the recommendations of the conference.

In adopting this agenda the Council supported the American contention that the major accent in the conference should be placed on the promotion of the free interflow of news rather than on the establishment of governmental controls over the press which the Soviet group in the Council sought to foster with a view to curbing "excesses" of the press.

Three items on the agenda of the Council dealt with matters arising out of the liquidation of UNRRA. The first was a progress report by the International Children's Emergency Fund, which was set up by the General Assembly in December 1946 to continue some of the child-feeding operations and related activities of UNRRA. The report indicated that the International Children's Emergency Fund (ICEF) had completed its organizational stage and was entering upon active operations. To carry on its activities substantial funds from private sources will be required in addition to voluntary contributions made by governments.

In this connection the Council devoted considerable time to the discussion of a second item on the agenda, the "one day's pay proposal". It approved the broadening out of the original "one day's pay proposal" to a "United Nations appeal for children". The active fund-raising will not be undertaken by the United Nations Secretariat but by national committees, which in the case of most countries will be set up especially for this purpose. The Secretary-General was authorized to invite distinguished individuals representing various racial, religious, cultural, and geographical groups

to act as sponsors of the appeal. In addition, there are to be established two international committees to aid in the campaign. The first is to be composed of the chairman, or one other member, of each of the national committees as established and of one representative each of the nongovernmental organizations in category (a) willing to take an active part in the campaign, plus three additional members to be appointed by the Secretary-General. The second committee is to be a special committee set up by the Economic and Social Council, composed of seven of the Council members to assist the Secretary-General between sessions of the Council in the practical application of the Council's policies relating to the United Nations appeal for children. The following seven members of the Council were elected: Canada, Chile, China, Czechoslovakia, France, New Zealand, and the United States.

The third in this group of items dealt with the Advisory Social Welfare Services, which were initiated at the end of 1946 with a view to continuing on an urgent basis some of the functions in the social-welfare field which UNRRA had carried on and which were in danger of lapsing. The program includes the provision of experts on social welfare for countries seeking expert advice, the training of social-welfare workers and the provision of fellowships for this purpose, demonstrations and equipment in prosthetics and vocational rehabilitation, and the distribution of publications on social-welfare matters. The General Assembly had provided for these purposes an item of \$670,000 in its 1947 budget. Various Council members, in reviewing the achievements made under this program, expressed some criticism of the slow start of activities under the program, while others expressed some doubt as to whether the Council and the Secretariat could legitimately continue to be responsible for an "operating" program. In the end, the Council requested its Social Commission to review the report of the Secretary-General on this matter and to make recommendations concerning future programs and the best methods of financing them. It requested the Secretary-General to review his budgetary provisions for the continuation of the Advisory Social Welfare Services (\$750,000 for 1948) in the light of these recommendations.

Two items of the agenda dealt with matters

which may eventually be embodied in international conventions. At its Fourth Session, the Council had referred the item on trade-union rights (safeguarding of freedom of association), proposed by the World Federation of Trade Unions, to the International Labor Organization for study. At the Fifth Session of the Council, the International Labor Organization submitted a report stating the fundamental principles on which freedom of association must be based and informing the Council that the embodiment of these principles in a convention would be considered at the 31st Conference of the ILO to be held in June 1948. In addition the question of international machinery for the application of these conventions is to be studied by the Governing Body of the ILO. Over the objections of the representatives of the World Federation of Trade Unions, who felt that the problem was too urgent to be considered in this slow manner, the Council approved the work accomplished and proposed by the ILO and requested the Secretary-General to arrange for cooperation between the ILO and the Commission on Human Rights in the study of these problems.

In addition the Council considered the question of the draft convention on the crime of genocide which the General Assembly had referred to the Council. A draft convention drawn up by the Secretariat had not been circulated in sufficient time for consideration by governments or the Commission on Human Rights. Without such consideration the Council did not feel competent to undertake the drafting of a convention at this session and reported to the General Assembly that it would "proceed as rapidly as possible with the consideration of the question, subject to any further instructions by the General Assembly".

Continuing discussions begun at the Fourth Session regarding the use to be made of communications and complaints received by the Commission on Human Rights and the Commission on the Status of Women, the Council decided over strenuous Soviet opposition that such communications deserved consideration even though the Commissions had no power to take any action in regard to complaints concerning human rights or the status of women. The Representative of the Union of Soviet Socialist Republics held that any such communications should be disregarded, while

the United States Representative strongly urged that a study of such communications would greatly aid the Commissions in their work and would lend reality to their activities. The Council approved procedures for the handling of such communications which will attain these ends while protecting the authors.

Some minor items on the agenda were dealt with expeditiously. The Council approved UNESCO's consideration of Hungary's application for membership, the transfer of certain United Nations assets to the World Health Organization, and the transfer to the United Nations of certain powers and functions exercised by the League of Nations under the conventions on traffic in women and children and on obscene publications. It referred the item on the protection of migrant and immigrant workers, submitted by the American Federation of Labor, to the International Labor Organization for study.

No meeting of the Council is complete without a discussion of procedures and the consideration of relationships with nongovernmental organizations. In discussing uniform rules of procedure for the commissions, the United States lost a battle it has been fighting since commissions and subcommissions first were established. It has been the position of the United States that, as far as possible, members of commissions and subcommissions should be experts serving in their individual capacities rather than government representatives. This concept did not prevail when the commissions were first set up. Members of subcommissions, however, were elected as experts. In establishing the new uniform rules of procedure the Council decided over United States objections on the insertion of a new rule allowing an alternate to a subcommission member to be "designated by the member with the consent of his national government and in consultation with the Secretary-General" and to serve with the same status as the member, including the right to vote. This evidently means that from here on members of subcommissions will also essentially be representatives of their governments rather than persons serving in their individual capacity.

In discussing the program for 1948 the Procedures Committee did not have sufficient time to arrive at final conclusions. It was, however, decided that the Sixth Session of the Council should

meet at Lake Success in February 1948 and the Seventh Session in Geneva in July 1948. The remainder of the schedule of conferences and meetings of commissions and subcommissions was referred to an interim committee set up to study the question further.

At each session of the Council there are new applications for consultative status under article 71 from both international and national organizations. Acting on an application of the International Organization of Industrial Employers, the Council approved this Organization for consultative relationship in category (a). Eighteen international organizations were admitted to consultative status in category (b) and four to the same status subject to the exclusion of their Spanish affiliates. The World Federation of Democratic Youth and the Women's International Democratic Federation were denied their requests for transfer from category (b) to category (a). For the first time and over the strenuous objection of the Union of Soviet Socialist Republics, national organizations were considered. Following the policy laid down by the Council "that national organizations should normally present their views through their respective governments", the Council admitted only four, the Howard League for Penal Reform, the National Association of Manufacturers, the Carnegie Endowment for International Peace, and the All India Women's Congress. These organizations, it was felt, were not represented through organizations already granted consultative status and could bring to the Council and its commissions points of view and experience not otherwise represented.

The World Federation of Trade Unions continued its campaign for additional privileges, this time asking for the right to call for a special session of the Economic and Social Council under the same conditions as the specialized agencies and to participate in the deliberations of the Council concerning the adoption of any agenda item it might propose and in the examination of that item. It also asked that the Council, prior to reference of any question to a commission or specialized agency, give directives to that body. All these requests were rejected except that the Council granted to all organizations in category (a) which had succeeded in placing an item on the agenda of the Council the right to make an introductory statement of an

expository nature before the Council. Such an organization may furthermore be invited by the President of the Council, with the consent of the Council, to make an additional statement in the course of discussion for the purposes of clarification. With regard to the third request of the WFTU, it was pointed out that "the way in which the Council deals with any question on its agenda is in each case entirely within the competence of the Council".

In the closing meeting Dr. Papanek reemphasized, as had Sir Ramaswami Mudaliar before him, that "the prime function of the Council is to co-ordinate the activities and policies of the Specialized Agencies". The Council was not created to be an operating agency. The specialized agencies and possibly the regional commissions established by the Council or the commissions are the organizations which in the final analysis are expected to produce concrete results. It is for the Economic and Social Council to channel their activities to get the quickest and most effective action. With the conclusion of the nine agreements with specialized agencies, the stage is now set for a thorough review of this function by the Council at the forthcoming session in February 1948.

U. N. Documents—Continued from page 803

- Amendment to the United States Proposal (Document A/C.1/191) Submitted by the Delegation of Cuba. A/C.1/209, October 9, 1947. 1 p. mimeo.
- Amendments to the United States Proposal (Document A/C.1/191) Submitted by the Delegation of Colombia. A/C.1/210, October 9, 1947. 2 pp. mimeo.
- Amendment to the United States Proposal (Document A/C.1/191) Submitted by the Delegation of Canada. A/C.1/211, October 10, 1947. 1 p. mimeo.
- United Nations Special Committee on Palestine. Report to the General Assembly. Vol. II. A/364, Add. 1, September 9, 1947. III, 64 pp. printed. [75¢.]

Security Council

- Official Records of the Security Council, First Year, Second Series. Supplement No. 10 A. September 4, 1947. 28 pp. printed. [40¢.]
- Official Records of the Security Council, Second Year. No. 36. October 2, 1947. 13 pp. printed. [10¢.]

Trusteeship Council

- Report to the Trusteeship Council by the United Nations Mission to Western Samoa. T/46, September 24, 1947. 78 pp. mimeo.
- Annexes to the Report. T/46/Add. 1, September 25, 1947. II, 102 pp. mimeo.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

The Problem of the Independence of Korea¹

LETTER FROM THE UNITED STATES REPRESENTATIVE ADDRESSED TO THE SECRETARY-GENERAL AND ENCLOSED DRAFT RESOLUTION

I have the honor to refer to the facts that on September 17, 1947 the United States Secretary of State announced that the United States was placing the problem of Korean Independence before the General Assembly and on September 23, 1947, the General Assembly² voted to place that problem upon its agenda. On September 26, 1947, the Chief Soviet Delegate on the Joint United States-U.S.S.R. Commission meeting in Seoul, Korea, made the following statement, in translation:

"Therefore, the Soviet Delegation considers that it is possible to afford the Koreans an opportunity to form a government by themselves without the aid and participation of the Allies under the condition of withdrawing the American and Soviet troops from Korea."

The United States Government desires to take any practicable step which will further the speedy establishment of a truly independent Korea. The only concern of this Government is to make certain that its responsibilities to the Korean people and to the United Nations are properly carried out. It will be recalled that after negotiations in the Joint Commission had reached a stalemate the United States Government proposed that the question of forming a government for Korea be discussed in Washington by representatives of all powers adhering to the Moscow Agreement on Korea, China, the United Kingdom, the U.S.S.R. and the United States. China and the United

Kingdom accepted this suggestion but the U.S.S.R. did not. It was only after this that the matter was presented to the United Nations. It is believed that in as much as the General Assembly has already voted to consider the problem of Korean independence, its attention should be called to the most recent Soviet proposal, referred to above, as well as the suggestions for a solution of the problem which the Secretary of State said the United States Government would be prepared to advance. With these proposals before it the General Assembly will, it is hoped, be able to recommend measures for an orderly transition from the present systems of government in north and south Korea to an independent, united Korean government and the consequent speedy withdrawal of all occupying forces.

There is therefore transmitted herewith a Resolution which contains the suggestions the United States Delegation will submit for the consideration of Committee 1 of the General Assembly when the problem of Korean independence comes before that body. It is considered that an arrangement of the nature indicated in this Resolution should make possible the early establishment by the Korean people themselves of their own government and the withdrawal of all Soviet and United States armed forces from Korea.

It is requested that copies of this letter together with its enclosure be circulated to the various delegations to the General Assembly for their information.

Accept [etc.]

WARREN R. AUSTIN

Department of State Bulletin

¹ U.N. doc. A/C.1/218, Oct. 17, 1947. This document was released to the press by the Department of State on Oct. 17, 1947.

² BULLETIN of Sept. 28, 1947, p. 618.

DRAFT RESOLUTION ON KOREA

The General Assembly

RECOGNIZING the urgent and rightful claims to independence of the people of Korea;

HAVING IN MIND that it is one of the purposes of the United Nations to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples;

HAVING NOTED the international obligations undertaken with respect to Korea, including the Cairo Declaration of December 1, 1943, in which China, the United Kingdom and the United States stated their determination that in due course Korea shall become free and independent, the Potsdam Proclamation of July 26, 1945, in which China, the United Kingdom and the United States reaffirmed the terms of the Cairo Declaration and to which the Union of Soviet Socialist Republics adhered upon entering the war in the Pacific, and the Moscow Agreement of December 27, 1945, in

which the United Kingdom, the Union of Soviet Socialist Republics and the United States, with the adherence of China, provided that there shall be set up a provisional Korean democratic government with a view to the reestablishment of Korea as an independent state;

BELIEVING that the national independence of Korea should be reestablished and all occupying forces should be withdrawn from Korea at the earliest practicable date;

To this end, *Recommends* that the occupying powers hold elections in their respective zones not later than March 31, 1948, under the observation of the United Nations, as the initial step leading to the creation of a National Assembly and the establishment of a National Government of Korea

in conformity with the procedure set out in the Annex to this Resolution.

Further recommends that immediately upon the establishment of the National Government of Korea referred to above, that Government will constitute its own national security forces and will arrange with the occupying powers for the early and complete withdrawal from Korea of the armed forces of the Union of Soviet Socialist Republics and the United States;

Resolves that the responsibilities assumed by the United Nations under this Resolution should be discharged by a United Nations Temporary Commission on Korea, consisting of the representatives of [names of states]. This United Nations Temporary Commission on Korea shall (1) be present in Korea during the elections in each zone with the right of freedom of travel and observation throughout all of Korea, (2) be available for such consultation as may be appropriate in connection with the elections, the organization of the National Assembly, the formation of the National Government and the conclusion of Agreements for the withdrawal of the occupying forces, (3) report to the General Assembly or if in its judgment developments so require to any competent agency of the Assembly with respect to its activities under the terms of this resolution, and make any recommendations that it may wish concerning further United Nations action in maintaining the independence of Korea;

Calls upon the Member States concerned to afford every assistance and facility to the United Nations Temporary Commission on Korea in the fulfillment of these responsibilities.

ANNEX

Recommended Procedure for the Holding of Elections and the Establishment of a National Government of Korea

(1) The elections to be held by the occupying powers in their respective zones not later than March 31, 1948, shall be for the purpose of choosing representatives to a National Assembly. The number of representatives elected to the National Assembly from each zone shall bear the same proportion to the total membership of the National Assembly as the population of that zone bears to

the total population of Korea. Subject to this principle, the number of representatives to be elected from each zone shall be determined by the United Nations Temporary Commission on Korea in consultation with the occupying powers.

(2) As soon as possible after the elections the National Assembly of Korea shall meet and form a Government and shall notify the United Nations

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THE UNITED NATIONS AND SPECIALIZED AGENCIES

Temporary Commission on Korea of the formation of this Government.

(3) Upon notification to the United Nations Temporary Commission on Korea of the formation of a National Government of Korea, that Government shall take over the functions of government from the military commands and civilian authorities of north and south Korea, respectively, in accordance with arrangements to be agreed upon under the auspices of the United Nations Temporary Commission on Korea between the Government of Korea and the respective occupying authorities.

(4) The United Nations Temporary Commission on Korea shall be available for such consultation and assistance as may be requested and appropriate in connection with the decisions and actions contemplated in paragraphs (1), (2), and (3) above.

[Copies of the above note have been circulated

to the delegates of the member nations of the United Nations General Assembly. In this connection the Department of State made available on October 17 a booklet entitled *Korea's Independence*, which contains a brief narrative account of the efforts made by this Government to bring about Korea's independence and the full texts of all the pertinent documents.]

Korea's Independence

Korea's Independence, a documentary record of the wartime and postwar commitments of the Allied Powers concerning Korea, was released by the Department of State on October 17, 1947, as publication 2933. The pamphlet includes annexes containing texts of protocols and declarations regarding Korea and negotiations with the U.S.S.R. on the Joint Commission. Copies may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D.C. for 15 cents each.

General Assembly Special Committee Established To Observe Greek Frontier

STATEMENT BY U.S. DEPUTY REPRESENTATIVE TO THE U.N.¹

The efforts of the United Nations to protect the territory and the independence of Greece passed a significant milestone today. The Political and Security Committee of the General Assembly completed action on a resolution which calls upon Albania, Bulgaria, and Yugoslavia to do nothing which could furnish aid and assistance to the guerrillas fighting against the Greek Government. And, most important of all, the Committee, by large majorities, has approved the establishment of an on-the-spot General Assembly commission to observe and report to the United Nations whether or not the northern neighbors of Greece are complying with this injunction. In addition, the Commission is empowered to assist in the settlement of frontier problems, the repatriation of refugees, and the transfer of minorities.

This decision, we believe, will give heart to the

peoples of the world who look to the United Nations for constructive action in maintaining peace.

The debate that preceded today's action was long, and often it was intemperate. The United States Delegation regretted particularly the declaration by the Representative of the Soviet Union that his Government would not participate in the work of this commission if it is established. The Committee decided, however, to leave open two places on the commission in the hope that the Soviet Union and Poland may yet decide to participate. The United States Delegation earnestly hopes they will.

The resolution provides that the Special Commission shall establish headquarters in Salonika and shall begin its work within 30 days after final approval by the General Assembly. It is the hope of the United States that this final approval will be voted soon.

Our desire for early action is supported by experience. The Commission of Investigation sent into the area by the Security Council earlier this

¹ Broadcast over the network of the American Broadcasting Company on Oct. 13, 1947, and released to the press on the same date by the U.S. Mission to the U.N. Herschel V. Johnson is U.S. Deputy Representative to the United Nations.

year undoubtedly served to deter guerrilla activity throughout the area. But the struggle of Greece to recover from the ravages of war continues to be sabotaged by the destruction of bridges, the mining of roads and rail lines, and the pillaging of farms and villages. It is our hope that the presence of the General Assembly committee will help to end this era of destruction and succeed in effect-

ing better relations between Greece and her northern neighbors. If these aims are not achieved, this commission will have the power to recommend the calling of a special session of the General Assembly. It will be a watchdog for the General Assembly which by today's action has clearly demonstrated its intention to help bring peace to this troubled area.

TEXT OF RESOLUTION¹

1. WHEREAS

The peoples of the United Nations have expressed in the Charter of the United Nations their determination to practice tolerance and to live together in peace with one another as good neighbours and to unite their strength to maintain international peace and security; and to that end the Members of the United Nations have obligated themselves to carry out the purposes and principles of the Charter;

2. The General Assembly of the United Nations,

HAVING CONSIDERED the record of the Security Council proceedings in connection with the complaint of the Greek Government of 3 December 1946, including the report submitted by the Commission of Investigation established by the Security Council resolution of 19 December 1946, and information supplied by the Subsidiary Group of the Commission of Investigation subsequent to the report of the Commission;

3. TAKING ACCOUNT of the report of the Commission of Investigation which found by a majority vote that Albania, Bulgaria and Yugoslavia had given assistance and support to the guerrillas fighting against the Greek Government;

4. *Calls upon* Albania, Bulgaria and Yugoslavia to do nothing which could furnish aid and assistance to the said guerrillas;

5. *Calls upon* Albania, Bulgaria and Yugoslavia on the one hand and Greece on the other to co-operate in the settlement of their disputes by peaceful means, and to that end recommends:

(1) That they establish normal diplomatic and good neighbourly relations among themselves as soon as possible;

(2) That they establish frontier conventions providing for effective machinery for the regula-

tion and control of their common frontiers and for the pacific settlement of frontier incidents and disputes;

(3) That they co-operate in the settlement of the problems arising out of the presence of refugees in the four States concerned through voluntary repatriation wherever possible and that they take effective measures to prevent the participation of such refugees in political or military activity;

(4) That they study the practicability of concluding agreements for the voluntary transfer of minorities.

6. *Establishes* a Special Committee:

(1) To observe the compliance by the four Governments concerned with the foregoing recommendations;

(2) To be available to assist the four Governments concerned in the implementation of such recommendations;

7. *Recommends* that the four Governments concerned co-operate with the Special Committee in enabling it to carry out these obligations;

8. *Authorizes* the Special Committee, if in its opinion further consideration of the subject matter of this resolution by the General Assembly prior to its next regular session is necessary for the maintenance of international peace and security, to recommend to the Members of the United Nations that a special session of the General Assembly be convoked as a matter of urgency;

9. *Decides* that the Special Committee

SHALL CONSIST of representatives of Australia, Brazil, China, France, Mexico, the Netherlands, Pakistan, the United Kingdom and the United States of America, seats being held open for Poland and the Union of Soviet Socialist Republics;

¹ U.N. docs. A/409, Oct. 14, 1947, p. 6 and A/409/Corr. 1, Oct. 20, 1947.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

10. SHALL HAVE its principal headquarters in Salonika and with the co-operation of the four Governments concerned shall perform its functions in such places and in the territories of the four States concerned as it may deem appropriate;

11. SHALL RENDER a report to the next regular session of the General Assembly and to any prior special session which might be called to consider the subject matter of this resolution, and shall render such interim reports as it may deem appropriate to the Secretary-General for transmission to the Members of the Organization; in any reports to the General Assembly the Special Committee may make such recommendations to the General Assembly as it deems fit;

12. SHALL DETERMINE its own procedure, and

may establish such sub-committees as it deems necessary;

13. SHALL COMMENCE its work within thirty days after the final decision of the General Assembly on this resolution, and shall remain in existence pending a new decision of the General Assembly;

14. The General Assembly,

REQUESTS the Secretary-General to assign to the Special Committee staff adequate to enable it to perform its duties, and to enter into a standing arrangement with each of the four Governments concerned to assure the Special Committee, so far as it may find it necessary to exercise its functions within their territories, of full freedom of movement and all necessary facilities for the performance of its functions.

The Financial Position of Trieste ¹

LETTER FROM THE DEPUTY MINISTER OF FOREIGN AFFAIRS OF THE UNION OF SOVIET SOCIALIST REPUBLICS ADDRESSED TO THE SECRETARY-GENERAL ENCLOSING DECISION BY THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS DATED 22 APRIL 1947

Moscow, 7 September 1947

SIR: I have the honour to forward to you here-with the decision taken by the Council of Ministers of Foreign Affairs in Moscow on 22 April 1947 on the report of the Commission which investigated the financial position of Trieste, together with the report of this Commission of 27 February 1947.*

Twenty-five copies of the texts of both documents in each of the working languages of the Council of Ministers of Foreign Affairs are being forwarded to you.

(Signed) A. VYSHINSKY

Deputy Minister of Foreign Affairs.

FREE TERRITORY OF TRIESTE

Decision Taken by the Council of Foreign Ministers on April 22nd, 1947, concerning the Report of the Trieste Commission of Inquiry

The Council of Foreign Ministers having considered the report of the Trieste Commission of Inquiry as well as the comments on the report submitted by the Government of the Federated People's Republic of Yugoslavia and by the Government of Italy, have reached the following conclusions:

¹ U.N. doc. S/577, Oct. 9, 1947. The annex appeared originally in English, French and Russian.

*NOTE: This report has been circulated to the Governments represented on the Security Council, in a limited number of copies.

(1) The solution of the questions of the budget, balance of payments, currency, customs and other financial and economic questions concerning the Free Territory of Trieste which were discussed in the report of the Commission falls within the competence of the Governor and the Council of Government and the Popular Assembly of the Free Territory in accordance with the relevant Articles of the Permanent Statute of the Free Territory of Trieste. Until the coming into force of the Permanent Statute the solution of these questions falls within the competence of the Governor and the

Provisional Council of Government in accordance with the relevant Articles of the Instrument for the Provisional Regime of the Free Territory of Trieste. In the solution of these questions the economic independence of the Free Territory should be provided for in accordance with the above mentioned provisions, particularly Paragraph 4 of Article 24 of the Permanent Statute.

(2) The Council of Foreign Ministers recommends that, as from the date of the establishment of the Provisional Council of Government of the Free Territory of Trieste and until a new customs regime is introduced by the authorities of the Free Territory of Trieste the present regime should be maintained and goods of Italian and Yugoslav origin should be imported into the Free Territory of Trieste without payment of customs duty, provided that reciprocal arrangements will be granted by these countries to the products originating in the Free Territory of Trieste; and that the Governor and the Provisional Council of Government should make every effort to institute the new customs regime within a period of three months.

Proclamation of Narcotics Protocol

President Truman on October 14, 1947, proclaimed the Protocol, with accompanying Annex, amending the Agreements, Conventions, and Protocols on Narcotic Drugs concluded at The Hague on January 23, 1912, at Geneva on February 11 and 19, 1925, and July 13, 1931, at Bangkok on November 27, 1931, and at Geneva on June 26, 1936. The Protocol, which was opened for signature at Lake Success on December 11, 1946, and signed for the United States on that date, was ratified by the President on July 15, 1947, and entered into force with respect to the United States on August 12, 1947, the date of deposit of its instrument of ratification with the Secretary-General of the United Nations.

The amendments set forth in the Annex do not

(3) As the balance of payments may show a deficit in free foreign exchange over the period July–September, 1947, the Council of Foreign Ministers is of the opinion that in the event of the Security Council receiving from the Governor and the Provisional Council of Government a request for financial assistance from outside to cover the urgent needs of the first period, the Security Council should recommend that an amount up to \$5,000,000 be made available to the Government of the Free Territory from the resources of the United Nations Organisation.

(4) The Council of Foreign Ministers decides to request the Secretary-General of the United Nations as soon as the Governor of the Free Territory of Trieste has been appointed, to transmit to him for his information the report of the Trieste Commission of Inquiry, the observations on it of the Italian and Yugoslav Governments, and the text of this decision.

Moscow

Aviation Industry House

April 23, 1947

come into force in respect of each Agreement, Convention, and Protocol mentioned therein until a majority of the parties thereto have become parties to the present Protocol. The United States is party only to the agreements concluded at The Hague in 1912¹ and at Geneva in 1931.²

Corrigendum

In the BULLETIN of September 28, 1947, page 653, column 2, in a list of treaties still under consideration by the Senate, the Great Lakes fisheries convention with Canada was listed as having been signed at Washington on April 29, 1942. The date should be April 2, 1946.

¹ Treaty Series 612.

² Treaty Series 863.

THE RECORD OF THE WEEK

American Labor's Part in Determining Foreign Policy

ADDRESS BY THE SECRETARY OF STATE¹

This is my first opportunity as Secretary of State to discuss our foreign policy before a special gathering of American labor. You have an important part to play in the determination of that foreign policy and especially in making it effective.

Everyone agrees, I think, that labor plays a vital part in the functioning of the modern state. If labor can be confused or embittered, if labor can be made to lose faith in the community of which it forms a part, then the core of any national society is threatened. The enemies of democracy know this, and it explains the efforts they make to undermine the confidence of the labor element in the stability of our institutions and the soundness of our traditions.

I am confident of American labor's reaction to efforts made to disrupt the structure of our society in the domestic field. But the problems of foreign relations are in their very nature remote from the American scene and are more easily distorted. For this reason I wish to outline certain of the fundamental considerations which I believe are important to an understanding of the American position today.

There is a danger that the individual man, whose well-being is the chief concern of all democratic policies, foreign or domestic, is being lost sight of in the welter of ideological generalities and slogans which fill the air. Generalities are frequently accepted as gospel truth without even a superficial examination of the validity of their basic tenets. Often they are intended to obscure the basic issue, which, as I see it today, is simply whether or not men are to be left free to organize their social, political, and economic existence in accordance with their desires, or whether they are

to have their lives arranged and dictated for them by small groups of men who have arrogated to themselves this arbitrary power.

This issue is as old as recorded history. But in the world today it has assumed more menacing proportions than ever before. The great enemy of democracy has always been the concentration of arbitrary power in a few hands.

The particular theory used as a justification for the suppression and eventual elimination of civil liberties varies with the times. All such theories, however, contain within themselves the greatest of all historical fallacies—that in human affairs the end justifies the means.

I do not have to point out to this convention that the rights of labor and the hope and possibility of further gains for labor are absolutely dependent upon the preservation of civil liberties. The issue is not one of political labels, but whether or not civil liberties, the right of criticism, and right of recall of individuals elected to governmental responsibility remain intact. No section of the American population has a more vital stake in the preservation of free institutions in the world than has American labor. For among the first victims of any dictatorial regime, and notably of the police state, is the right of labor to organize itself for the protection of its interests.

It is rather trite to say that the world is now a small place, but that is a fact, and what happens in distant places affects our affairs and our lives inevitably, often very quickly, and sometimes most seriously. The present situation in Europe is definitely of the last-mentioned character.

The basic problem of world recovery is production. Production of course involves other critical factors—food, fuel, housing, and communications, for example, not to mention political influences or controls. With reference to the situation in Eu-

¹ Delivered before the national convention of the Congress of Industrial Organizations in Boston on Oct. 15, 1947, and released to the press on the same date.

rope, at the present moment the dominant factors are food and coal. Problems of foreign exchange, dollar shortages as now expressed, are heavily involved in the dilemma. I repeat that the immediate requirements at this time are food and coal.

Europe is entering on another long winter. As has already been described by numerous observers and authorities, the situation is precarious. Outside assistance is absolutely necessary to prevent a really dangerous deterioration in health and morale before any carefully determined long-range program can possibly be put into effect.

There now exists the urgent necessity for positive interim measures to prevent a fatal deterioration in Europe—political, economic, and psychological—before Congress has sufficient time to consider and act upon a possible long-range plan for American assistance.

The present food-saving plan is one such interim measure. The committees of Congress, which are being scheduled to meet in November, will undoubtedly consider others. Meanwhile the Administration will do all within its limited power to lend assistance.

These measures alone will not suffice. They are but a step—an all-important step—to prevent a collapse this winter.

When I made a public statement at Harvard on June 5 last,² it was plainly evident that a situation had developed where we must immediately choose between two lines of action—either to concern ourselves solely with our own internal affairs despite our heavy commitments in Germany, Austria, and Italy, while Europe suffered a complete political and economic demoralization; or we must take action to assist Europe in avoiding a disastrous disintegration with tragic consequences for the world. Therefore, the suggestion was made that the European countries, under the pressure of the dilemma which faced them, should join together in working out a mutual basis of cooperation for their own rehabilitation and should determine, on a businesslike basis, the degree and character of the outside assistance they calculated would be urgently needed over and above what was humanly possible for them to accomplish for themselves.

We have now reached the point where 16 nations have submitted a preliminary plan, both as to their own agreed actions and as to what outside assistance they feel will be necessary in the next four

or five years. At the same time, our resources have been reviewed in order that no step might be taken which would involve an unwise drain on our economy. The European plan is now under study by the various agencies of the Government concerned and by the special groups which were formed by direction of the President. Certain committees of Congress have planned to meet in a few weeks to consider first the measures which may immediately be necessary and later the proposal soon to be submitted by the Government for assistance in the long-range rehabilitation of Europe.

Whatever form the proposal may take we must be assured that the participating countries will make every possible effort to reach the production rates they have set for themselves and that they will make the necessary fiscal reforms. We have great admiration for the fortitude displayed by the people of these countries under prolonged conditions of want and extreme hardship. But the present situation requires more than stoical, even heroic endurance. I repeat that basically the present problem of world recovery is one of production. And I add the comment that increased production emphatically demands harder work, and that in turn demands more, not less, food.

The productivity of American farms and factories is of tremendous concern to the entire world. For that and other reasons we occupy a very special position in the world, which carries with it a heavy responsibility which cannot be avoided, even if we might wish to do so. Therefore we must face the facts. The United States stands in the midst of a highly critical world period. The situation involves dangers which affect every American alike. It would be a great folly to assume that we can stand aloof or that we can straddle the issue. A very distinguished American recently stated that "No private program and no public policy, in any sector of our national life, can now escape from the compelling fact that if it is not framed with reference to the world it is framed with perfect futility". What endangers the United States endangers all of us—labor, industry, and agriculture alike. Because the economic stability of Europe is essential to the political stability of Europe, it is of tremendous importance to us, to our peace and security, and it is equally important to the

² BULLETIN of June 15, 1947, p. 1159.

entire world. We are faced with the danger of the actual disappearance of the characteristics of western civilization on which our Government and our manner of living are based.

We are proceeding in a determined campaign which has for its purpose world stability, a condition absolutely necessary to world peace. It is a difficult business. It requires infinite patience and a constant effort to understand the other fellow's

point of view, but it definitely requires cool calculation and great determination. Hasty judgments and short-range thinking need to be avoided. Above all things, a regard for the American tradition is required, the typical American readiness to assist those in need of help, to discount vicious propaganda and outrageous criticism, and in the end to seek only to do what is right, so far as we can determine the right.

Report on National Resources and Foreign Aid

STATEMENT BY THE PRESIDENT

[Released to the press by the White House October 18]

I have received a report from the Secretary of the Interior on national resources and foreign aid.¹

This report is the first in a series of three reports being prepared by special committees which I appointed in June to study the relationship between the interests of our domestic economy and the extent to which the United States can aid friendly foreign countries in programs of self-rehabilitation and reconstruction.

The task assigned Secretary Krug's committee was to explore the state of our resources and report upon their adequacy to contribute to foreign reconstruction. This report covers the physical aspects of the subject, with only such reference to economic and fiscal aspects as is necessary to define the problem of resource use.

Secretary Krug reports that on the whole our national resources are physically sufficient to preserve the national security and the American standard of living and at the same time to support a considerable foreign-aid program. The report emphasizes that intelligent utilization of our natural resources calls for an expanded program to conserve them from waste and more intensive efforts to discover and develop new sources of supply for many of our basic raw materials.

The fact that our natural resources are adequate

to permit sharing is heartening. But other vitally important factors must be weighed before we can determine the extent to which these resources can be shared.

The Council of Economic Advisers will shortly report on a related aspect of the problem. The task assigned the Council is to appraise the economic impact on the United States of aid to other countries. The basic data and analyses have been made available to the nonpartisan committee under the chairmanship of the Secretary of Commerce. Secretary Harriman's committee will report on the character and quantities of our resources which may be safely and wisely utilized in a program of foreign assistance.

The studies by the three groups are interrelated. The facts and conclusions of Secretary Krug's report are already being used by the other two committees. Aided by these three studies, and by information assembled by the State Department concerning the needs of other countries and the measures of self-help and mutual help being taken by these countries, I shall prepare recommendations to the Congress on the nature and extent of a balanced foreign-aid program.

The remaining two reports will also be made public as soon as they are completed. I hope they will receive full discussion by members of the Congress and by business, labor, agriculture, and the general public.

¹ Not printed. Released to the press by the Department of the Interior Oct. 19, 1947.

Report on Greece

BY GEORGE C. MCGHEE¹

In response to an urgent appeal by the Greek Government, Congress authorized in May of this year the Greek and Turkish aid program, under which 300 million dollars was allocated to Greece. President Truman in his message to Congress on the aid act stated that if aid were not extended Greece could not survive as a free nation but would be forced into the Communist orbit by a Communist minority supplied from abroad.² By an overwhelming majority Congress determined that it was in our national interest to aid this freedom-loving nation, our gallant ally in the last war, in restoring her war-devastated economy and in providing military supplies needed to establish internal order. An American Mission for Aid to Greece, under the leadership of former Nebraska Governor Dwight P. Griswold, was sent to Greece to administer the program.

In the meantime Americans have been asking many questions about the Greek-aid program: "Was the United States justified in assuming this grave responsibility toward Greece?" "Can Greece really be saved?" "What sort of a job is the American Mission doing?" "What can the Mission hope to accomplish with the funds provided?"

I have just returned from a 3-weeks visit to Greece. I spent a great deal of time with Governor Griswold and his staff and with the American Ambassador, Mr. MacVeagh. I talked with Greek political leaders and with members of the Greek Government. I met with the Greek Prime Minister, Mr. Sophoulis, who has, despite his advanced age, returned to political life to lead his people under the new coalition government. I talked with businessmen in Athens, with farmers and villagers in the Peloponnesus and Crete, and with refugees in the guerrilla area north of Salonika.

I would like to report on the situation in Greece as I saw it—to give an accounting of how your Government is carrying out the mandate of the American people to aid Greece.

First of all, the American Mission in Greece is a good mission. Its members are representative Americans who were carefully chosen on the basis

of outstanding ability in administration or in the specialized fields for which the Mission is responsible. They were selected from some 6,000 applicants and on the basis of questionnaires sent to 1,000 men who had made outstanding contributions in previous public service. In most cases members of the Mission are serving at personal sacrifice as the result of a strong patriotic appeal.

The Director of the Agriculture Division was drafted from his position as business manager at Texas A. and M. College. The Director of the Commerce and Supply Division left a key position in a New York food concern, following an outstanding Government career which included service as a top official in the War Production Board. The Mission Highway Engineer was formerly Commissioner of Highways in West Virginia, a state which is considered to have about the same type of country as Greece. The Head of the Industry Division was formerly President of the Sperry Gyroscope Company. Other top officials of the Mission are men of similar caliber.

I found at Mission headquarters a spirit of enthusiasm and teamplay. The Mission staff believe in their Mission. They are not the dollar imperialists the Moscow press would have the world believe. They come as friends to a country they genuinely want to help and whose sovereignty and dignity they respect—as they respect the greatness of her past.

But you may say, "What has the Mission done to save Greece?"

First of all there is the purely statistical record. Seventeen shiploads of United States military supplies and equipment have been delivered to the Greek Army. Greek troops are now fighting with our ammunition and subsisting on our supplies. In addition, 135,000 tons of wheat and flour have arrived in Greece and 7,800 tons of milk for the Greek children. Other necessary Greek imports,

¹ Address broadcast over CBS on Oct. 15, 1947, and released to the press on the same date. Mr. McGhee is Coordinator for Aid to Greece and Turkey.

² BULLETIN of Mar. 23, 1947, p. 534. See also BULLETIN Supplement of May 4, 1947.

such as petroleum, coal, automotive spare parts, and fertilizers have been financed with Aid funds.

But the accomplishments of the Mission cannot be measured entirely in terms of goods delivered. Since it began operations in July, the Mission has been quietly laying the groundwork for cooperation with the Greek Government to assure that American aid is effectively utilized for the purposes intended and that the Greeks themselves make the maximum contribution from their own resources in the recovery effort.

On some matters the Mission gives technical advice to the Greek Government. Where the use of American resources is involved, the Mission has agreements with the Greek Government which permit control over the operations. Where joint resources of the two countries are involved, cooperative agreements have been negotiated which define the obligations and responsibilities of both countries. An example is the Public Roads Administration, where an American engineer administers the construction and maintenance of Greek roads.

A start has been made in the reconstruction of Greek transportation facilities damaged or destroyed by the war and which are acting as a bottleneck to all Greek recovery. American contractors, with typical American initiative and energy, have organized Greek engineers and laborers. Jobs have been offered to guerrillas who accept the Government's amnesty. They have brought in American equipment and materials as required, while at the same time endeavoring to make maximum use of local Greek materials. Work has been started on the Salonika-Athens highway. Workmen are busy repairing the damaged docks at Piraeus and are clearing the vital Corinth Canal. All this reconstruction activity is a visible and even dramatic evidence to the Greek people of the sincere desire of the United States to aid the Greek nation.

For the first time since the termination of war Greece has a sound and complete economic program, designed to start her on the road toward self-support. In his address last Monday night in Athens, Prime Minister Sophoulis announced a program developed in cooperation with the American Mission. The Prime Minister calls for sacrifice and privation from the Greek people in achieving their own recovery. He announced a new foreign-exchange plan designed to overcome

the handicaps to Greek export trade of an overvalued currency and to sell their tobacco, olive oil, currants, and other products on the world market. He also announced the creation of a Foreign Trade Administration headed by an American employee of the Greek Government. This Administration will have authority to grant all import licenses. It will eliminate luxury imports and will promote Greek export trade. The Prime Minister called also for balancing the Greek budget, which can be accomplished only by abolishing non-essential Government services and effecting economies in public administration.

In other areas vital to the recovery of Greece the Mission has made real if not spectacular progress. Agriculture provides a livelihood for 60 percent of the people in Greece. Orders have been placed for seeds, fertilizers, and pesticides; canning plants imported by UNRRA have been put into operation; spare parts have been ordered for tractors and other farm equipment; a well-drilling program has been started to increase ground water necessary to expand productive land areas.

Mission experts in government administration are working directly with a liaison team of Greek officials to assist them in effecting a general reorganization of the Greek Government. This is designed to increase administrative efficiency, to improve civil-service procedures, and to make overall savings in the Greek budget. The Greek Government is reducing its civil service employees by 15,000 before December 15.

In the field of public health, the Mission has taken steps to procure vaccines and sanitary facilities for the 200,000 refugees in the north of Greece who have been made homeless by guerrilla activity. It is assisting the Greek Government in a reorganization of its health services. It is financing an effective anti-malaria program conducted by the Greek School of Hygiene, which has reduced malaria cases from 2,000,000 to 50,000 a year.

In the field of labor the Mission is aiding the Greek Government in the development of a sound wage and salary structure designed to promote industrial efficiency and an equitable relationship between income and prices. The Mission has begun to train Greek workers in the skills required for the reconstruction program and in other practical fields which will assist in Greek recovery.

I would not, however, have you think that the

path to recovery in Greece will be easy nor that Greek independence of foreign aid is yet in sight. The purchasing power of the Aid funds has been lowered by increased world prices. This year's wheat crop in Greece is only two-thirds normal. A considerable portion of the Aid funds earmarked for reconstruction has by necessity been diverted to military expenditures. Guerrilla activity has not been decreased by the liberal offer of amnesty by the Greek Government. The balancing of the Greek budget has not as yet been accomplished.

One can, however, say that all of the necessary elements for recovery are now present and can begin to be operative once internal order is established in Greece. In the restoration of internal order we are relying heavily on the creation by the General Assembly of the United Nations of a commission which will effectively seal the Greek border against assistance to the guerrillas from Greece's northern neighbors. If order can be restored, there is every reason to be optimistic about the recovery of Greece—even more optimistic than one can be about the recovery of the more industrialized countries of Europe. If order is not restored there can be no recovery.

I would at this point like to express my conviction on two vital points which are not clear to all Americans. The first is that Greece is a real democracy—as we understand democracy. The word *democracy* originated in Greece. There has been much talk about domination of Greece by a few wealthy people in Athens. In my opinion this has been grossly exaggerated. There is individual wealth in Greece, as there must be in any free-enterprise incentive system. There have been selfish individuals and groups which have taken advantage of Greek democracy to further their own interests. But basically the Greek people are as democratic as any people on earth. All of the basic freedoms are jealously guarded. There are two Communist papers in Athens that attack the Government and the American Aid Mission daily. I am proud to say they attacked me. The last Greek election was, in the opinion of the Allied observers, a fair election. The Greek Government is highly responsive, sometimes too responsive, to the desires of its people.

Secondly, I believe that Greeks are unalterably opposed to Communism and will combat it with all means at their disposal. Greece has essentially

an agricultural economy, and the Greek farmer, like all farmers, is devoted to the principle of private property. In talking with refugees who have been driven from their homes by the guerrillas, I found many who had been subjected to Communist propaganda but none who believed any of the grandiose promises the Communists made. In one village of 800 there had been only one Communist adherent; in another of 450 there were 25. In recent labor-union elections the moderate "reformists" won 452 members while the Communists won 49.

It is equally true, however, that without our assistance Greece cannot withstand continued aggression by her more powerful Communist neighbors to the north. In Macedonia only 60 miles of Greek territory separates Bulgaria from an outlet to the Mediterranean. If Greece's northern neighbors continue their support of the Greek guerrilla forces, the need for foreign aid will continue beyond June 30, 1948, no matter what achievements are made by the American Aid Mission and the Greek people toward recovery.

Greece is, of course, one of the 16 European countries involved in the so-called Marshall plan. Any decision on that plan or a continuation of the Greek-aid program is one for the people and the Congress of the United States. Only they can decide the extent and nature of any further aid to be furnished to Greece. The policy of this country to support Greek integrity and independence, consistent with our obligations under the United Nations Charter, will not, however, terminate with the present aid program on June 30, 1948, but will continue as long as Greece remains a democratic country desirous of resisting Communist aggression.

Additional Appointments to AMAG

The Department of State announced on October 14 the appointment of George L. Reed as Housing Adviser for the American Mission for Aid to Greece, to assist in solving the severe housing problems in that country. Wartime damage to housing in Greece is said to be the heaviest of any combatant nation, with an estimated 150,000 to 200,000 buildings completely destroyed and over 40,000 more partially damaged. Funds are being made available by the Mission to permit procure-

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ment of the necessary fittings and materials not obtainable in Greece for repairs and for erection of new dwellings. Further, there are plans for temporary construction of barracks-type winter shelters for 15,000 people who will soon have to move out of school buildings and other inadequate accommodations in the Salonika area, where the housing situation has been aggravated by the large concentration of refugees from guerrilla warfare.

En route to Greece, Mr. Reed is stopping in Geneva to participate in the Panel on Housing Problems of the Economic Commission for Europe. He is taking with him to Geneva and to Greece data on public and private housing de-

velopments in the United States and an exhibit of new building methods and materials.

The Department of State also announced on October 14 the appointment of the following additional members of the American Mission for Aid to Greece:

William A. Underwood, reports analyst
Edna N. White, home demonstration specialist
L. Malcolm Slaght, deputy chief, industry
Henry Wiens, government expenditure specialist
Kenneth H. McGill, reports analyst
William W. Deltrick, auditor
Ludwig Weindling, textile specialist
Louis M. Knight, marketing specialist

Tripartite Commission Begins Restoration of Monetary Gold

[Released to the press by the Tripartite Commission simultaneously in Europe and U. S. on October 17]

The Tripartite Commission for the Restitution of Monetary Gold, composed of Russell H. Dorr, United States Commissioner and Chairman, Sir Desmond Morton, KCB, CMG, MC, United Kingdom Commissioner, and Jacques Rueff, Commissioner for France, announced on October 17 at its seat in Brussels the preliminary distribution of 128,468 kg. of fine gold to certain of the countries which during World War II were despoiled of monetary gold by Germany: 90,649 kg. has been allocated to Belgium; 1,929 kg. to Luxembourg; and 35,890 kg. to the Netherlands.

Further, the Tripartite Commission points out that part III of the Paris reparation agreement provides that shares of the gold pool shall be set aside for countries not represented at the reparation conference (including Austria and Italy), pending decision as to the participation of such countries in the pool. Therefore, having determined that a portion of the claims submitted by Austria and Italy under the authority of this provision are clearly valid, the Commission has ordered that 26,187 kg. for Austria and 3,805 kg. for Italy be set aside. Negotiations for inclusion of Austria and Italy in the gold pool are in progress and may be completed in time for them to share in this preliminary distribution. Negotiations are also being carried on with regard to the admission of Poland to participation in the gold-pool arrangement.

The bulk of the distribution will consist of monetary gold looted by the Nazis and recovered by the United States Army in the immense cache in the salt mines at Merkers, Germany, in April 1945. The balance will be delivered from stolen monetary gold sold by Nazi Germany to Switzerland during the war and turned over by that country to the Allied Powers under the Washington accord of May 25, 1946.

Ten countries—Albania, Austria, Belgium, Czechoslovakia, Greece, Italy, Luxembourg, the Netherlands, Poland, and Yugoslavia—have filed claims with the Commission on account of Nazi gold looting. The Commission has examined with care these claims and evidence offered in support of them. Some of the claims raise no legal problems, are fully supported by detailed and verifiable data, and can clearly be allowed at once. Others have been found to give rise to questions of law or fact that will require some further time to adjudicate. The Commission did not feel it proper to ask those countries whose claims were clearly and fully proved to wait for their share until it could complete its work on all claims, particularly in view of the desirability of returning to circulation as soon as possible gold which was looted by Germany and at present remains immobilized. It determined therefore to make this preliminary distribution on account of those claims whose validity is incontrovertible.

In calculating the sum to be allocated, the Commission has kept in reserve a sufficient amount of the gold now on hand to make it possible to satisfy in equal proportion pending claims which may later be determined to be valid. Rights of restitution which may later be recognized are therefore fully safeguarded. On the other hand it should be understood that all of the looted gold recovered will, of course, be distributed as soon as possible to those countries which establish their claims.

The Commission is informed that the gold allocated to Belgium in this first distribution will be delivered by that country to France pursuant to an agreement reached in 1944 under which France at that time returned to Belgium the gold of the Belgian National Bank, which was moved to France on the eve of the German invasion of Belgium and was later captured by the Germans. A similar situation prevails as to the allocation to Luxembourg.

Negotiations by the United States, United Kingdom, and France are continuing for recovery of further monetary gold stolen by Germany and sold by it to other countries during the war. Sweden has agreed to restore all gold received from Germany which is accepted by Sweden as having been looted, and it is anticipated that the total of such receipts will be determined shortly. It is hoped that negotiations with other countries may be as successful. All such gold recovered will also be distributed in proportion to losses as determined by the Commission. It is therefore probable that some further payment will be made on account of claims already accepted for the purpose of this preliminary distribution and that the proportionate allocation the Commission will be able to make on account of claims subsequently accepted will be larger. The Commission intends to make further distributions as soon as possible. A number of claims are at present in suspense only because of the delay of claimant countries in supplying the Commission with certain supplementary evidence necessary to complete the proof required by the Paris agreement.

In announcing this first distribution of monetary gold the Commission draws attention to the fact that the Paris agreement on reparations, which established the monetary gold pool, provides explicitly for the restitution of monetary gold to each participating country in proportion to the

losses of such gold it suffered through looting by or wrongful removal to Germany. The Commission is in no way responsible for the restitution of gold looted by the Nazis from the victims of concentration and death camps. Under the Paris agreement gold of this type recovered in Germany was placed under the administration of the Intergovernmental Committee on Refugees to be used in the rehabilitation and resettlement of nonrepatriable victims of German action.

German Vessels Made Available to France

[Released to the press October 16]

The Acting Secretary of State on October 16 advised the French Ambassador of the availability for transfer to the French Government of certain former German naval vessels. These ships, totaling 31 in number, plus one floating dock, are among those allotted to the United States by the Tripartite Naval Commission which was established by the Potsdam Conference. The undertaking by this Government to make available to France a part of its share of the captured German vessels was incorporated into the Blum-Byrnes agreement of May 28, 1946.¹

With the exception of two destroyers at Annapolis, the ships are now in German ports. The French Navy will take possession of the two destroyers on the occasion of the visit to Annapolis in November of the French cruiser *Georges Leygues*. Arrangements are being made for the early transfer to French command of the remaining ships.

The high proportion of service vessels to combat types results from the desire of the French Government for ships which will contribute to the French civilian economy.

A list of the ships by category follows:

- 3 destroyers
- 1 aviation supply ship
- 1 aviation repair and maintenance ship
- 1 depot ship
- 12 mine sweepers
- 3 trawlers
- 1 tanker
- 7 seagoing tugs
- 2 torpedo transporters
- 1 40,000-ton floating dock

¹ BULLETIN of June 9, 1946, p. 994, and June 30, 1946, p. 1127.

Italian Government Expresses Gratitude for Return of Naval Units

[Released to the press October 13]

*The Secretary of State has received the following message from Count Carlo Sforza, Minister of Foreign Affairs, of which the following is a translation:*¹

I am extremely grateful to Your Excellency for your communication that the Government of the United States, mindful of worthy services rendered by the Italian Navy during the period of co-belligerency, has decided to renounce completely the Italian naval units assigned to it under the terms of the treaty of peace with Italy² and the four-power naval protocol of February 10, 1947.³

Your Excellency has also informed me of the desire of your government that these units, scrapped and utilized by Italy in accordance with the provisions of the aforesaid protocol, contribute to welfare of the Italian economy.

I have the honor to advise Your Excellency that the Italian Government has noted with particular satisfaction this decision of the Government of the United States, a decision of which it appreciates above all the high moral significance of which the whole Italian people has learned with lively gratitude and which will draw even closer the bonds of friendship which unite the two navies and two countries.

Army To Purchase French Francs To Pay Procurement Obligations

Statement by the President

[Released to the press by the White House October 15]

The French Government has informed this Government that a sum in excess of 80 million dollars remains to be paid by the United States to France on account of procurement obligations incurred by the United States Army in France and North Africa after September 2, 1945. The auditing of the basic records, which is now in process, is being pressed forward so that settlements can be reached as promptly as possible.

¹ Printed from telegraphic text.

² Department of State publication 2743.

³ BULLETIN of May 4, 1947, p. 815.

In the interim, in order to help the French Government meet its immediate dollar requirements for essential imports, I have today authorized the Secretary of the Army to purchase from the French Government francs in the equivalent of 50 million dollars, such francs to be used in payment of procurement obligations or for other expenditures of the United States Government.

Interim Air-Transport Agreement With Austria

[Released to the press October 8]

An interim air-transport agreement between Austria and the United States was signed on October 8 at the Bundeskanzleramt by Karl Gruber, Austrian Minister for Foreign Affairs, and John G. Erhardt, American Minister, on behalf of their respective Governments. It is the first air-transport agreement concluded by Austria since the war. It is hoped that this agreement will facilitate and promote the development of commercial and other relations between Austria and the United States and other countries. The agreement is based on the form of agreement approved by the International Civil Aviation Organization (ICAO) and is generally similar to agreements which the United States has concluded in the past few years with more than 30 other countries. It is intended to stimulate and promote the sound economic development of air transportation while eliminating unfair methods of competition.

Murder in Addis Ababa of Alien Employed by American Legation

[Released to the press October 11]

The American Legation at Addis Ababa, Ethiopia, has reported to the Department of State the murder, on the evening of October 9, of Johannes A. Semerdjibashian, an alien employed by the Legation as dragoman-interpreter.

Mr. Semerdjibashian was shot as he was entering the driveway of his home in an official Legation automobile bearing diplomatic license plates.

This Government has informed the Ethiopian Government of the extreme seriousness with which it views this murder and of the urgent necessity for apprehending and bringing to justice the perpetrator of the crime.

Recovery of American Property Confiscated by Japanese in China

[Released to the press October 16]

The Department of State has been informed that the deadline of December 31, 1947, has been established by the Chinese Government for the submission of claims for the recovery of identifiable property of which the owners were deprived during the Japanese occupation.

Bureaus for the disposition of enemy and puppet properties have been established in the areas liberated from Japanese occupation. These bureaus have been directed by a decree of the Executive Yuan effective November 23, 1945 (published in the *National Government Gazette* no. 916, November 26, 1945), to return properties originally owned by Allied nationals to the original owners if after examination convincing evidence is found that the properties were taken over forcibly by the Japanese. When time limits for claiming property have expired, it is the intention of the Chinese Government to dispose of unclaimed properties taken over from the Japanese as enemy-owned properties.

Principles applicable to the recovery of identifiable property removed from Allied countries by enemy forces during the war are stated in the State Department's announcement of June 5, 1947.¹ Owners of identifiable property which may have been removed from China during the war should submit descriptions of their property to the Chinese Government, as it is the responsibility of the Chinese Government to report the removal of such property to the proper authorities in the countries to which the property may have been taken. Looted property which was removed from China and is discovered in Japan is to be delivered by the Allied Military Authorities in Japan to the Chinese Government.

Recovery of Identifiable Property and Registration of Claims for War Damage to American Property in Hong Kong

[Released to the press October 8]

The Department of State has been informed that American nationals who were deprived of identifiable property in Hong Kong during the Japanese occupation may register with the Hong Kong Government claims for the recovery of such

property. Applications for the recovery of looted property removed from Hong Kong should be submitted to the Reparations Claims Office, General Post Office Building, Hong Kong. Applications for the return of property located in Hong Kong should be submitted to the Custodian of Property, Windsor House, Hong Kong.

The Department is also informed that the Hong Kong War Damage Claims Commission will register claims for war damage to American property in Hong Kong. The address of the Commission is General Post Office Building, Hong Kong. No provision has yet been made for the payment of compensation to claimants.

Geneva Charter for an ITO—Continued from page 794.

agreement with a nonmember, under which it extends to the latter tariff concessions made or other benefits provided under the charter, to obtain the approval of the Organization. Alternative C, the strongest of the three, follows the lines of the original United States suggested charter. It forbids members, one year after the charter comes into force, to extend to nonmembers tariff concessions effected under the provisions of the charter unless specifically permitted to do so by the ITO.

The charter can be amended by the Conference by a vote of two thirds of the members, but any amendment changing the obligations of members will not go into effect for any member until accepted by that member or until two thirds of the members have accepted it. The Conference may expel nonratifying members or establish conditions less drastic than expulsion under which nonratifying members may remain in the Organization.

The charter of the International Trade Organization is being written in a time of economic dislocation. The Charter of the United Nations provides for reconsideration of the provisions of the document within 10 years. The delegates at Geneva believed it wise to include a similar provision in the ITO charter. Article 96 accordingly calls for the convening of a special Conference session to reconsider the provisions of the charter within 10 years after its adoption.

¹ BULLETIN of June 15, 1947, p. 1161.

Aid to Chile in Obtaining Coal

[Released to the press October 15]

The Department of State has learned from the Chilean Government that Chile is threatened with the possibility of economic paralysis unless it receives coal supplies from outside of Chile. Consistent with the cooperative relationship that has long existed between Chile and the United States and in fulfillment of the obligations of the good neighbor, the United States Government is issuing the export licenses necessary to enable the Chilean Government to purchase United States coal in sufficient quantities to maintain the minimum essential services. The Government of the United States is naturally desirous of doing everything possible to assist Chile in the present emergency.

Protocol Signed Extending Inter-American Coffee Agreement

[Released to the press October 17]

On October 16, 1947, Willard L. Thorp, Assistant Secretary for economic affairs, Department of State, signed, subject to ratification, the protocol for the extension of the Inter-American Coffee Agreement for one year beginning October 1, 1947. This protocol renders inoperative all quota restrictions in the agreement.

In addition, the protocol specifies that the Inter-American Coffee Board shall undertake to complete by April 1, 1948, recommendations for the governments now participating in the agreement and of other governments that might be interested in participating in an understanding regarding the type of international cooperation, whether inter-American or other international, that appears most likely to contribute to the development of sound and prosperous conditions in international trade in coffee equitable for both consumers and producers.

The protocol stipulates that such recommendations shall be in accordance with the general principles of commodity policy which are embodied in the chapter on intergovernmental commodity arrangements drafted in the First Session of the Preparatory Committee on the United Nations Conference on Trade and Employment or which may be embodied in the Charter for an Inter-

national Trade Organization if such charter is concluded prior to the submission of such recommendations by the Board.

American Red Cross Aids Victims of Tumaco, Colombia, Fire

[Released to the press October 15]

The Department of State has been informed by the American Consulate in Cali, Colombia, that the Colombian town of Tumaco, a Pacific-coast port in the extreme southwestern part of the country, has been almost completely destroyed by fire. The disaster appears to have taken place either late on October 10 or early on October 11.

The population, estimated at between 5,000 and 6,000 persons, was reported homeless. Food, clothing, and other supplies were described as urgently needed.

Upon receipt of the first information of the disaster, the Department of State immediately communicated with the American Red Cross, which simultaneously was receiving initial reports from its representatives in the field. Meanwhile, the American Embassy at Bogotá transmitted the request by the President of Colombia, Mariano Ospina Perez, that the American Red Cross furnish relief as quickly as possible.

The American Red Cross advised the Department that its president, Basil O'Connor, had enabled the Red Cross Society of Colombia, in response to President Ospina's request, that the American Red Cross would assist in any manner in which it was able and that such assistance would be provided through the American Red Cross representative in Panama, who intended to proceed to Tumaco.

Initial reports stated that no American citizens were killed or injured. Although no American citizens are known to be permanent residents of Tumaco, an American engineering firm, the Frederick Schnare Company, is engaged in constructing various port facilities there, and a small number of its American employees are temporarily in Tumaco.

An American tanker, the *Unoba*, of the Union Oil Company, was in the port at the time of the disaster and has delayed its original departure to serve as a medium of radio communication.

Sales and Transfers of Nondemilitarized Combat Materiel

[Released to the press October 17]

There follows a list of authorizations and transfers of surplus nondemilitarized combat matériel effected by the Department of State in its capacity

as foreign-surplus and lend-lease disposal agent, during the months of May, July, August, and September 1947, and not previously reported to the Munitions Division:¹

Country	Description of matériel	Procurement cost	Sales price	Date of transfer
BRAZIL	Miscellaneous cartridges and metallic belt links . . .	\$274,088.00	\$27,408.80	8/29/47
CANADA	Five gunner tank trainers, 75mm M-12 (75mm turret trainers w/22 cal. conversion kit for .30 machine gun, mounted in the turret M12) and two trainers M10 (37mm).	55,323.00	2,766.15	9/9/47
CHILE	Eleven B-25J, twelve P-47D, two OA-10 aircraft, twenty-nine engines, and miscellaneous spare parts for combat planes.	3,705,673.00	339,475.00	8/29/47
CUBA	One patrol craft, escort	1,786,700.00	35,500.00	9/29/47
ECUADOR	Spare parts for P-47 aircraft	167,585.32	13,289.73	5/8/47
	Miscellaneous cartridges, shells, fuzes, grenades, smoke grenades, rockets, smoke rockets, bayonets, bayonet knives, carbines, guns, machine guns, submachine guns, howitzers, grenade launchers, rocket launchers, mortars, mounts, pistols, projectors, and rifles.	177,959.93	17,533.09	7/3/47
MEXICO	One patrol frigate	2,352,500.00	146,600.00	8/21/47
	Thirty-two armored light cars and seventeen light tanks M5A1 w/37mm guns.	802,945.00	31,403.80	8/19/47
	Miscellaneous cartridges, shells, shot, rockets, armored light cars, half-track cars, carbines, guns, submachine guns, rocket launchers, mortars, pistols, rifles.	618,795.19	36,415.22	8/22/47
PERU	Miscellaneous spare parts for tank lt. M3A1	342,407.69	17,120.38	7/29/47
	Eight torpedoes, Mk 10 Mod 3 (less heads)	64,000.00	6,400.00	9/10/47
	Miscellaneous cartridges, shells, rifle grenades, smoke grenades, rockets, signals, bayonet knives, bayonets, carbines, guns, submachine guns, howitzers, grenade launchers, mortars, mounts, pistols, rifles.	781,456.25	73,415.56	9/23/47
URUGUAY	Miscellaneous cartridges, metallic belt links, shells, rifle grenades, smoke grenades, signals, rockets.	129,604.32	10,525.73	7/10/47
	Miscellaneous spare parts for tank lt. M3A1	413,263.05	20,663.15	7/15/47
	Seven AT-6C, five AT-11 aircraft, eight aircraft engines, miscellaneous spare parts for combat aircraft.	723,172.11	204,010.60	7/25/47
	Seven AT-6 and five AT-11 aircraft	592,208.00	135,000.00	8/8/47
VENEZUELA	Miscellaneous cartridges, shells, fuzes, grenades, smoke grenades, signals, bayonet knives, bayonets, carbines, guns, submachine guns, howitzers, grenade launchers, mortars, pistols, projectors, rifles.	205,350.09	84,442.25	8/15/47

¹ For other lists of authorizations and transfers, see BULLETIN of June 8, 1947, p. 1140; July 13, 1947, p. 102; Aug. 17, 1947, p. 340; and Sept. 28, 1947, p. 657.

Visit of Peruvian Chemist

Oswaldo Baca Mendoza, professor of analytical chemistry at the National University of Cuzco, Peru, has arrived in the United States at the invitation of the Department of State to study methods used in American colleges and universities to teach analytical chemistry.

Visit of Guatemalan Agriculturalist

Rodolfo Rivera Ariza, director general of the General Farmers Association of Guatemala, is visiting the United States at the invitation of the Department of State. He is one of a distinguished group of leaders who have received grants, under the program administered by the Department's Division of International Exchange of Persons for the exchange of professors and specialists between the United States and the other American republics. He will confer with colleagues and observe agricultural projects while in the United States, with the cooperation of the Department of Agriculture.

THE DEPARTMENT

Resignation of William L. Clayton as Under Secretary for Economic Affairs

The President on October 14, 1947, acknowledged receipt of a letter from Under Secretary of State W. L. Clayton submitting his resignation. For text of Mr. Clayton's letter dated October 7, the President's reply, and a letter from Secretary Marshall to Mr. Clayton dated June 20, 1947, see White House press release of October 15, 1947.

Frederick L. Zimmermann Joins International Resources Division

The Department of State announced on October 17 the appointment of Frederick L. Zimmermann of Forest Hills, Long Island, N.Y., as consultant in the Fisheries and Wildlife Branch, International Resources Division. Mr. Zimmermann is being added to the staff to assist in the development of an international fisheries conservation program for the northwest Atlantic Ocean. Funds for this specific project were appropriated by the Congress for the 1947-48 fiscal year.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Faith and Fidelity—American Pledge to the United Nations. United States—United Nations Information Series 25. Pub. 2934. 14 pp. 5¢.

Address by the Secretary of State.

Directive Regarding the Military Government of Germany. July 11, 1947. European Series 27. Pub. 2912. 23 pp. 10¢.

Text of directive to Commander in Chief of U.S. Forces of Occupation, July 11, 1947, superseding Joint Chiefs of Staff directive 1067/6 and its amendments.

Korea's Independence. Far Eastern Series 18. Pub. 2933. iv, 60 pp. 15¢.

THE FOREIGN SERVICE

Consular Office

An American Consulate was established and opened to the public at Kuala Lumpur, Malaya Union, on October 6, 1947.

Oral Examinations for Foreign Service To Be Held in Other American Republics

An examining panel left on October 17 on a trip through Central and South America to conduct oral examinations for admission to the Foreign Service. The panel consists of:

William P. Maddox, *Chairman*, Director of the Foreign Service Institute, Washington, D.C.

Samuel J. Fletcher, Foreign Service officer, Kittery Point, Maine

Lester D. Mallory, Foreign Service officer, Tanasket, Wash.

Hooker A. Doolittle, Foreign Service officer, Baltimore, Md.

Donald W. Smith, Foreign Service officer, Deputy Director, Office of the Foreign Service, Washington, D.C.

The examinations will be held in Miami, Rio de Janeiro, Buenos Aires, Santiago, Lima, Panama, Guatemala, and Mexico City.

Most of those who will take the examinations are candidates for admission to the middle and upper classes of the Foreign Service under the Manpower Act who have been exempted from the written examinations; some are candidates for admission to Class 6 who were successful in the special written examination given in October 1946 for veterans and members of the armed forces.

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